

STATE OF SOUTH CAROLINA
COUNTY OF HAMPTON

IN THE COURT OF
COMMON PLEAS

- - -

RICHARD LIGHTSEY, LEBRIAN
CLECKLEY, PHILLIP COOPER,
ET AL., ON BEHALF OF THEMSELVES
AND ALL OTHERS SIMILARLY
SITUATED,

Plaintiffs,

vs.

SOUTH CAROLINA ELECTRIC & GAS
COMPANY, A WHOLLY OWNED
SUBSIDIARY OF SCANA, SCANA
CORPORATION, AND THE STATE OF
SOUTH CAROLINA,

Defendants,

SOUTH CAROLINA OFFICE OF
REGULATORY STAFF,

Intervenor.

(Case Caption Continues on Page 2)

VIDEOTAPED DEPOSITION OF TY TROUTMAN

DATE TAKEN: Friday, October 19, 2018

TIME BEGAN: 10:01 a.m.

TIME ENDED: 7:06 p.m.

LOCATION: STEIN MITCHELL CIPOLLONE BEATO
& MISSNER, LLP
901 15th Street, NW, Suite 700
Washington, DC 20005

REPORTED BY: Karen Kidwell, RMR, CRR, CBC
EveryWord, Inc.
P.O. Box 1459
Columbia, South Carolina 29202
803-212-0012

1 (Case Caption Continued)

2 THE PUBLIC SERVICE COMMISSION
3 OF SOUTH CAROLINA
4 DOCKET NOS. 2017-207-E, 2017-305-E, AND 2017-370-E

5 IN RE: Friends of the Earth and Sierra Club,
6 Complainant/Petitioner vs. South Carolina
7 Electric & Gas Company,
8 Defendant/Respondent

9 IN RE: Request of the South Carolina Office of
10 Regulatory Staff for Rate Relief to SCE&G
11 Rates Pursuant to S.C. Code Ann. § 58-27-920

12 IN RE: Joint Application and Petition of South
13 Carolina Electric & Gas Company and
14 Dominion Energy, Incorporated for Review
15 and Approval of a Proposed Business
16 Combination between SCANA Corporation and
17 Dominion Energy, Incorporated, as May Be
18 Required, and for a Prudency Determination
19 Regarding the Abandonment of the V.C. Summer
20 Units 2 & 3 Project and Associated Customer
21 Benefits and Cost Recovery Plans
22
23
24
25

1 APPEARANCES :

2
3 STROM LAW FIRM L.L.C.
4 BY: JOHN R. ALPHIN, ESQUIRE
2110 North Beltline Boulevard
5 Columbia, South Carolina 29204
803.673.6175
6 jalphin@stromlaw.com
Representing Plaintiff Richard Lightsey, et al.

7
8 SPEIGHTS & SOLOMONS, LLC
9 BY: A.G. SOLOMONS, III, ESQUIRE
100 Oak Street East
10 Hampton, South Carolina 29924
803.943.4444
11 gsolomons@speightsandsolomons.com
Representing Plaintiff Richard Lightsey, et al.

12
13 RICHARDSON, PATRICK, WESTBROOK & BRICKMAN, LLC
14 BY: TERRY E. RICHARDSON, JR., ESQUIRE
(Via Telephone)
1730 Jackson Street
15 Barnwell, South Carolina 29812
803-541-7850
16 trichardson@rpwb.com
Representing Plaintiff Richard Lightsey, et al.

17
18 LEWIS BABCOCK, LLP
19 BY: ARIAIL E. KING, ESQUIRE
(Via Telephone)
1513 Hampton Street
20 Columbia, South Carolina 29211
803-771-8000
21 aek@lewisbabcock.com
Representing Plaintiff Richard Lightsey, et al.
22 (via telephone)

23
24
25

1 APPEARANCES CONTINUED:

2
3 WYCHE, PA

4 BY: MATTHEW T. RICHARDSON, ESQUIRE

5 801 Gervais Street, Suite B

6 Columbia, South Carolina 29201

7 803-254-6542

8 mrichardson@wyche.com

9 Representing Intervenor Office of the
10 Regulatory Staff

11 OFFICE OF THE REGULATORY STAFF

12 BY: NANETTE EDWARDS

13 1401 Main Street, Suite 900

14 Columbia, South Carolina 29201

15 803.737.0889

16 nedwards@regstaff.sc.gov

17 Representing Office of the Regulatory Staff

18 STATE OF SOUTH CAROLINA

19 OFFICE OF THE ATTORNEY GENERAL

20 BY: J. EMORY SMITH, JR., Assistant Deputy AG
21 (Via Telephone)

22 1000 Assembly Street

23 Columbia, South Carolina 29201

24 Representing Office of the Attorney General

25 KING & SPALDING, LLP

BY: JONATHAN R. CHALLY, ESQUIRE

BY: EMILY NEWTON, ESQUIRE

1180 Peachtree Street, N.E.

Atlanta, Georgia 30309

404.572.4673

jchally@kslaw.com

enewton@kslaw.com

Representing Defendants South Carolina

Electric & Gas Company, a Wholly Owned

Subsidiary of SCANA, and SCANA Corporation

1 APPEARANCES CONTINUED:

2 LAW OFFICE OF LEAH B. MOODY, LLC
3 BY: LEAH B. MOODY, ESQUIRE
4 235 East Main Street, Suite 115
5 Rock Hill, South Carolina 29730
6 803-327-4192
Representing Defendants South Carolina
Electric & Gas Company, a Wholly Owned
Subsidiary of SCANA, and SCANA Corporation

7 NELSON MULLINS RILEY & SCARBOROUGH, LLP
8 BY: CARMEN THOMAS, ESQUIRE
9 1320 Main Street, 17th Floor
10 Columbia, South Carolina 29201
11 803.255.9422
carmen.thomas@nelsonmullins.com
Representing South Carolina Public
Service Authority, Santee Cooper

12 MCGUIRE WOODS, LLP
13 BY: TIMOTHY D. PATTERSON, ESQUIRE
14 Gateway Plaza
15 800 East Canal Street
16 Richmond, Virginia 23219
804.775.1000
tpatterson@mcguirewoods.com
Representing Dominion Energy, Incorporated

17 STEIN MITCHELL CIPOLLONE BEATO & MISSNER LLP
18 BY: ROBERT B. GILMORE, ESQUIRE
19 901 15th Street, NW, Suite 700
20 Washington, DC 20005
202.601.1589
rgilmore@steinmitchell.com
Representing the Bechtel Power Corporation

21
22 LAW OFFICES OF BILL NETTLES
23 BY: BILL NETTLES, ESQUIRE
24 2008 Lincoln Street
25 Columbia, South Carolina 29205
803.814.2826
bill@billnettleslaw.com
Representing Bechtel

1 APPEARANCES CONTINUED:

2
3 ROBINSON GRAY STEPP & LAFITTE, LLC
4 BY: KEVIN K. BELL, ESQUIRE
5 1310 Gadsden Street
6 Columbia, South Carolina 29201
7 803.227.1111
8 kbell@robinsongray.com
9 Representing Central Electric Power
10 Cooperative, Inc.

11 EMILY W. MEDLYN
12 9275 Gunston Road, Suite 1300
13 Fort Belvoir, Virginia 22060
14 703.614.3918
15 emily.w.medlyn.civ@mail.mil
16 Representing United States Department of Defense
17 and all other Federal Executive Agencies
18
19
20
21
22
23
24
25

ALSO PRESENT:

CHARLES E. HARRIS, JR.
General Counsel, Bechtel

CHRISTIE JEON, Videographer

1 I N D E X

2 WITNESS/EXAMINATION Page

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4 By Mr. Richardson 12

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6 By Mr. Chally 250

7

8

9 E X H I B I T S

10 Number Description Page

11 Exhibit 1 Notice of Deposition and13
12 Subpoena of Ty Troutman

13 Exhibit 2 Gary Jones Exhibit List with120
14 Exhibits, Bates ORS EXHIBIT
GCJ multiple numbers

15 Exhibit 3 7/9/2015 Memo, Subject:157
16 Summary of Bechtel's V.C.
17 Summer 2 & 3 Management
Assessment Scope and Approach,
Bechtel Confidential, Bates
SCPSA-House_00000510-511

18 Exhibit 4 2/19/2016 E-mail, Richard189
19 Miller to Carl Rau, Subject:
20 Closing the VCS Work,
Confidential-Attorneys' Eyes
Only, Bates BPC_VCS_00036914

21 Exhibit 5 E-mail chain, top e-mail196
22 1/26/2016, Bill Blackwell to
23 Richard Miller, Subject: Re:
2016 Golf,
Confidential-Attorneys' Eyes
Only, Bates
24 BPC_VCS_00010708-710

25

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Exhibit 6	Observation & Recommendation,229 VC Summer Units 2&3 Assessment, Bechtel, Confidential-Attorneys' Eyes Only, Bates BPC_VCS_00036559	
Exhibit 7	South Carolina Electric & Gas238 Company's and SCANA Corporation's Consolidated Responses and Objections to Plaintiffs' Second Consolidated Interrogatories	
Exhibit 8	Spreadsheet entitled V.C.241 Summer Units 2 & 3 EPC, Target Construction Productivity (Direct Hire Labor), Reporting Period: January 2015	
Exhibit 9	E-mail chain, top 2/5/2015,261 Craig Albert to Lonnie Carter, and others, Bates SCPSA-House_00000118-149	
Exhibit 10	E-mail chain, top e-mail276 2/20/2015, Mike Adams to Craig Albert and others, Confidential-Attorneys' Eyes Only, Bates BPC_VCS_00038302-303	
Exhibit 11	E-mail chain, top e-mail285 8/26/2015, Craig Albert to Tyrone Troutman, Subject: FW: Item 4, Confidential-Attorneys' Eyes Only, Bates BPC_VCS_00022920-924	
Exhibit 12	E-mail chain, top e-mail288 8/17/2015, Craig Albert to Carl Rau and Tyrone Troutman, Subject: Re: Crosby Call, Confidential-Attorneys' Eyes Only, Bates BPC_VCS_00022928-929	

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Exhibit 13	Professional Services295 Agreement between Bechtel Power Corporation and Smith, Currie & Hancock LLP, Confidential, Bates ORS_SCEG_01418992-9000	
Exhibit 14	Draft Bechtel Presentation,323 V.C. Summer Nuclear Generating Station Units 2 & 3, Preliminary Results of Bechtel Assesment, October 22, 2015 Presentation to SCE&G and Santee Cooper, Confidential, Bates ORS_SCEG_01426922-952	
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FRIDAY, OCTOBER 20, 2018, WASHINGTON, DC

P R O C E E D I N G S

-oOo-

VIDEOGRAPHER: My name is Christie Jeon, of EveryWord, Inc. The date today is October 19th, 2018, and the time is approximately 10:01.

This video deposition is being held in the office of Stein Mitchell Cipollone Beato & Missner, LLP, located at 901 15th Street Northwest, Washington, D.C. 20005.

The case -- the caption of this case is Lightsey, et al., versus South Carolina Electric & Gas Co., et al. The name of the witness is Ty Troutman.

At this time will the attorneys please identify themselves, and state -- and the parties they represent -- after which our court reporter, Karen Kidwell, of EveryWord, will swear in the witness -- I will swear in the witness. And we can proceed.

MR. RICHARDSON: Matthew Richardson and Nanette Edwards, on behalf of the Office of Regulatory Staff.

MR. SOLOMONS: Gibson Solomons and John

1 Alphin, on behalf of the customer class.

2 MR. BELL: Kevin Bell, on behalf of
3 Central Electric Power Cooperative.

4 MR. PATTERSON: Tim Patterson, on behalf
5 of Dominion.

6 MS. THOMAS: Carmen Thomas, on behalf of
7 the South Carolina Public Service Authority,
8 Santee Cooper, and the Intervenor in the PSC
9 proceeding.

10 MS. MOODY: Leah Moody, on behalf of SCANA
11 and SCE&G.

12 MS. NEWTON: Emily Newton, for King &
13 Spalding, on behalf of SCANA and SCE&G.

14 MR. CHALLY: Jon Chally, also of King &
15 Spalding, on behalf of SCANA and SCE&G.

16 MR. NETTLES: Bill Nettles, on behalf of
17 Bechtel Power.

18 MR. GILMORE: Robert Gilmore, with Stein
19 Mitchell, on behalf of Bechtel Power
20 Corporation.

21 VIDEOGRAPHER: Okay, Mr. Troutman, please
22 raise your right hand --

23 MR. RICHARDSON: Just one second.

24 And those on the phone?

25 MS. KING: Ariail King, from Lewis

1 Babcock, for the Lightsey Plaintiffs.

2 MR. SMITH: Emory Smith, from the South
3 Carolina Attorney General's Office, for the
4 State of South Carolina. And we do not need
5 copies of the transcript:

6 MR. GILMORE: Also from Bechtel, Chuck
7 Harris, in-house counsel.

8 NOTARY PUBLIC: Mr. Troutman, please raise
9 your right hand. Do you swear or affirm under
10 the penalties of perjury to tell the truth, the
11 whole truth, and nothing but the truth?

12 THE WITNESS: I do.

13 TY TROUTMAN

14 EXAMINATION

15 BY MR. RICHARDSON:

16 Q. Good morning, Mr. Troutman.

17 A. Good morning.

18 Q. Appreciate very much your being here
19 today. We -- I want to go over a few formalities
20 here first, because this is sworn testimony and may
21 be used in proceedings or trial, courtroom
22 proceedings in South Carolina.

23 Have you had a -- your deposition taken
24 before?

25 A. Yes, I have.

1 Q. Okay. And you -- you know that you're
2 under oath and -- and must answer fully and
3 completely, to the best of your ability?

4 A. Yes, sir.

5 Q. Any reason today that you can't do that?

6 A. No, sir.

7 Q. If you have any questions about taking a
8 deposition or -- or a clarification or anything,
9 please don't hesitate to ask me. What's most
10 important is that you understand what I'm asking and
11 that you're answering the questions that I ask.

12 A. Yes, sir.

13 Q. Thank you very much.

14 I'm going to hand you what's been marked
15 Exhibit 1. It's a notice of deposition in the Public
16 Service Commission consolidated docket and a subpoena
17 in the Lightsey case in South Carolina and ask if
18 you -- if that is -- if you've seen it, and if that's
19 why you are appearing here today.

20 (Exhibit 1 was marked for identification.)

21 THE WITNESS: Yes, I have seen it, and
22 this is why I'm appearing here today.

23 BY MR. RICHARDSON:

24 Q. And we have -- you can give that back to
25 the court reporter.

1 And we have -- by agreement, we're taking
2 these -- this deposition in Washington, D.C., but it
3 is under the Rules of Civil Procedure and the
4 procedures and -- and governed by the Public Service
5 Commission in South Carolina, by agreement of the
6 parties. Is that right?

7 MR. GILMORE: Well, I mean, I think that
8 the legal -- that the applicable law is what it
9 is. I'm not sure if that's a question for him.
10 But, you know, we understand that it's pursuant
11 to the proceeding that's listed in the caption
12 here and the rules applicable to that
13 proceeding.

14 MR. RICHARDSON: All right. And -- and I
15 guess, just to get it out of the way in the --
16 in the beginning, we're not trying to find a
17 Washington, D.C. judge today if we have any
18 problems between counsel. We're going to go
19 to -- because we're accommodating you all in DC,
20 we're going to go to the South Carolina, you
21 know, court, or the -- or the hearing officer in
22 the Public Service Commission.

23 MR. GILMORE: Well, I don't anticipate any
24 problems where -- where we would need to go to
25 the court today. But we understand that it's in

1 front of a -- part of a proceeding that's in
2 front of the court in the Public Service
3 Commission of South Carolina.

4 BY MR. RICHARDSON:

5 Q. Mr. Troutman, let's go ahead and get into
6 it. Give us -- because not everybody is here today,
7 give us some idea of your background, mostly focusing
8 on your education and experience that got you to the
9 position you're at today.

10 A. Okay. I -- I've worked for Bechtel for
11 36 years. I am a constructor. I do have an
12 associate degree in -- in mechanical design from
13 Lincoln Technical Institute, but I went to night
14 school as a carpenter. I was a carpenter.

15 So I'm a constructor, not an engineer.
16 But I've been working in construction for Bechtel for
17 36 years, about 25 of those years building new
18 nuclear power plants or operating them.

19 The other part of my experience is in
20 weapons systems and nuclear weapons maintenance and
21 manufacture.

22 Q. And what is your current position with
23 Bechtel?

24 A. Currently I am the manager of business
25 development and strategy for Bechtel nuclear security

1 and environmental.

2 Q. And what was your position with Bechtel in
3 2015?

4 A. At the time of the assessment, I was the
5 general manager for nuclear power worldwide and the
6 president of Bechtel Power Corporation.

7 Q. And where -- who was directly above you in
8 the hierarchy?

9 A. Craig Albert, the president of -- of the
10 nuclear security environmental business for Bechtel.

11 Q. Okay.

12 A. He was the president.

13 Q. And where was Richard Miller in that
14 hierarchy?

15 A. Richard Miller reported to me as
16 operations manager for the nuclear power business.

17 Q. Thank you. Can you --

18 MR. GILMORE: Ty, make sure you speak up a
19 little bit, particularly since we have people on
20 the phone.

21 THE WITNESS: Okay. Sorry.

22 BY MR. RICHARDSON:

23 Q. What were the scopes of work that Bechtel
24 did for the V.C. Summer construction site, if you
25 know?

1 MR. GILMORE: Objection. Form.

2 BY MR. RICHARDSON:

3 Q. You can answer.

4 MR. CHALLY: Can we just go ahead and get
5 an agreement on the record that an objection
6 made by one is an objection for all?

7 MR. RICHARDSON: Sure. Absolutely.

8 THE WITNESS: The work that Bechtel had
9 done for V.C. Summer 2 and 3, Bechtel worked for
10 SCANA developing the combined operating license
11 for -- for the plant. We had ongoing licensing
12 support for SCANA at that time, both licensing
13 and engineering, that supported the combined
14 operating license. It was the work that we were
15 doing for SCANA at the time --

16 BY MR. RICHARDSON:

17 Q. And that started --

18 A. -- for V.C. Summer.

19 Q. Thank you. And that started in roughly
20 2009 or 2010?

21 A. I don't remember the exact date.

22 Q. But early on in the project?

23 A. Yeah, you -- the combined operating
24 license is at the very front end of the development
25 of the project.

1 Q. All right. And then we know there was the
2 2015 assessment.

3 A. That's correct.

4 Q. Okay. And then after that, there was a --
5 in 2016, there was a possible hiring for the
6 construction payment milestone schedule?

7 MR. CHALLY: Object to form.

8 MR. GILMORE: Objection. Form. Lack of
9 foundation.

10 BY MR. RICHARDSON:

11 Q. Did you -- do you know about that?

12 A. So -- yes. Subsequent to the assessment
13 that we did for V.C. Summer 2 and 3, there was a
14 request to do some additional scheduling analysis.
15 We -- we did not do that work. And then subsequent
16 to that, we were engaged in the actual construction
17 of V.C. Summer 2 and 3, initially seconded to
18 Westinghouse, and then later in a direct contract
19 with SCANA.

20 Q. And that was in 2017?

21 A. That's correct.

22 Q. Is it fair to say that Bechtel has been
23 part of the V.C. Summer project retained by SCANA for
24 almost ten years?

25 MR. CHALLY: Object to form.

1 MR. GILMORE: Objection. Form, lack of
2 foundation.

3 THE WITNESS: We were employed from the
4 time the license was -- was initially submitted
5 to the NR- -- you know, developed, submitted to
6 the NRC through the termination of the project.

7 BY MR. RICHARDSON:

8 Q. Are you aware of any transmission work
9 that Bechtel did for the project?

10 MR. GILMORE: Objection. Form.

11 THE WITNESS: I'm -- I'm not aware of any.
12 The -- the T&D work that Bechtel does,
13 transmission and distribution work, is in
14 another business line. It's actually in our
15 infrastructure line.

16 We may have. I don't remember
17 specifically. It would -- it would not have
18 been under my purview.

19 BY MR. RICHARDSON:

20 Q. And in each of those areas of work or
21 scopes of work that Bechtel did for the project,
22 who -- who was the contact at Bechtel?

23 A. There would have been different people
24 along the way, given the time that lapsed.
25 Steve Routh was the manager engaged for Bechtel for

1 the development of the combined operating license, so
2 Steve Routh was engaged in that. Obviously I had
3 Dick Miller lead the -- the assessment, and Carl Rau
4 as the executive sponsor for the assessment. And
5 then John Atwell was the Bechtel lead that I had
6 engaged when we were supporting both Westinghouse and
7 SCANA with the construction work.

8 Q. And all of those folks worked for you at
9 those -- at the times of that work done for
10 V.C. Summer, or reported to you?

11 A. I was only the president of Bechtel Power
12 Corporation during the assessment period and the
13 later construction period. I was actually working in
14 a different part of Bechtel, the defense part of
15 Bechtel, at the time of the COLA development.

16 Q. And who at SCE&G or SCANA was the contact
17 for Bechtel in the assessment, 2015 assessment?

18 A. So Steve Byrne, the COO, was my primary
19 contact for the assessment.

20 Q. And for the request of the construction
21 milestone payment?

22 A. The construction work? That was also
23 Steve Byrne. He was my primary contact when I was
24 president of Bechtel Power Corp.

25 Q. For all --

1 MR. GILMORE: I'll -- I'll object to the
2 form of the last question.

3 BY MR. RICHARDSON:

4 Q. For all of the work that Bechtel did after
5 the -- starting in 2015 through the end of the
6 project?

7 A. Starting in the assessment through the end
8 of the project, yes, Steve Byrne was my primary
9 interaction point.

10 Q. When was your first contact by SCE&G for
11 the 2015 assessment?

12 MR. GILMORE: Object to form.

13 THE WITNESS: The initial contact was
14 through a Santee Cooper board member to our
15 business unit president, Craig Albert. So it
16 actually -- the initial contact came through a
17 higher channel in Bechtel.

18 BY MR. RICHARDSON:

19 Q. And where does Craig Albert fit in the
20 hierarchy at Bechtel?

21 A. So Craig Albert was the president of
22 nuclear security, environmental. I was the
23 president -- I was the president of the nuclear power
24 portion of that business. He was responsible overall
25 for all NS&E.

1 Q. And what happened after the Santee Cooper
2 board member first contacted Craig Albert? How did
3 it progress?

4 A. So Craig Albert, you know, immediately
5 contacted me, because it was my business line, and --
6 and we put together a -- a package to prepare our
7 executives for an executive-level meeting.

8 So we did the research for -- for the
9 project, research on the project, on the current
10 status of the project that was available publicly,
11 and briefed them on possible interaction points that
12 Bechtel could have to help on the project. And
13 progressed ultimately into a CEO-level meeting. That
14 was the initial kickoff of the . . .

15 Q. And all of what you just described was in
16 the first quarter of 2015 --

17 MR. CHALLY: Object to form.

18 BY MR. RICHARDSON:

19 Q. -- wasn't it?

20 A. I don't remember the exact dates. But
21 it's -- it's in that time frame.

22 Q. It was -- it was clearly months before the
23 assessment even began, right?

24 A. That is correct.

25 Q. Who else from either Santee Cooper or

1 SCE&G was involved in the early discussions?

2 A. Lonnie Carter, from -- from Santee Cooper.
3 Steve Byrne was engaged in some of those early
4 discussions. Michael Crosby, from Santee Cooper, was
5 also engaged in some of those early discussions.

6 That's some of the folks. I can't
7 necessarily remember all the attendees at the -- some
8 of those early CEO-level meetings off the top of my
9 head. I think they're documented as well as agendas.

10 Q. And Bechtel made a formal proposal to
11 SCE&G and SCANA to -- for an assessment?

12 MR. CHALLY: Object to form.

13 THE WITNESS: Ultimately we did, yes.

14 BY MR. RICHARDSON:

15 Q. And when did an outside attorney first get
16 involved?

17 MR. GILMORE: Objection. Form.

18 Foundation.

19 MR. RICHARDSON: I apologize, but just --
20 because we probably won't have a chance to fix
21 it later, what -- what's the -- what's the
22 objection to that question?

23 MR. GILMORE: Vague. When did an outside
24 attorney first get involved?

25 MR. RICHARDSON: How else would I ask him?

1 MR. GILMORE: Well, are you asking -- what
2 outside attorneys are you asking for? Bechtel's
3 outside attorneys --

4 MR. RICHARDSON: -- just more specific
5 question, all right.

6 MR. GILMORE: Well, I've made my
7 objection, and --

8 MR. RICHARDSON: I know. I just want to
9 be able to fix it if it's actually a --

10 MR. GILMORE: Sure.

11 MR. RICHARDSON: -- a problem with the
12 form.

13 MR. GILMORE: Sure.

14 MR. RICHARDSON: Okay.

15 BY MR. RICHARDSON:

16 Q. When did you first -- when was an attorney
17 first -- get involved with the discussions about the
18 assessment?

19 MR. GILMORE: Same objection.

20 THE WITNESS: It was the -- after the
21 development of the scope document, which was
22 primarily done back and forth between me and my
23 team and Steve Byrne and the -- and the SCANA
24 team that was -- that was on the ground at the
25 project, was sometime between the point that we

1 developed the scope document and the actual, you
2 know, contract being put in place.

3 BY MR. RICHARDSON:

4 Q. And who was that attorney?

5 A. It was outside counsel for SCANA.

6 Q. George Wenick?

7 A. Yes, George Wenick was the --

8 Q. Okay. And do you know why George Wenick
9 got involved after the scope of the project had been
10 developed?

11 A. I don't know specifically why SCANA had us
12 work through them.

13 Q. And did the -- George Wenick becoming
14 involved at that point change the purpose for the
15 assessment?

16 MR. GILMORE: Objection to form.
17 Foundation.

18 THE WITNESS: Didn't structurally change
19 the scope or the approach to the assessment. I
20 mean, I guess that's -- I'm not sure exactly
21 what you're asking. It didn't change what we
22 assessed or the way we did it. I think, when
23 the -- if I remember correctly, when the -- when
24 the contract was being formed, that is the first
25 time we saw that the work product would be for

1 counsel, versus for SCANA.

2 BY MR. RICHARDSON:

3 Q. Right.

4 A. I think that's -- if that's what you're
5 asking, that's the only change I can think of that
6 was injected at that point.

7 Q. And so the -- the attorney getting
8 involved did not change the assessment itself, what
9 was going to be done?

10 A. Yeah.

11 MR. CHALLY: Object to form.

12 THE WITNESS: That's -- that's a correct
13 statement. We did not change the -- the scope
14 of the assessment nor the approach to the
15 assessment. It was just words in the contract,
16 in the . . .

17 BY MR. RICHARDSON:

18 Q. Bechtel just agreed to use the attorney's
19 language in the contract?

20 MR. CHALLY: Object to form.

21 MR. GILMORE: Objection. Form.
22 Foundation.

23 THE WITNESS: It was the -- the contract
24 that we ultimately signed.

25

1 BY MR. RICHARDSON:

2 Q. And everything else about the assessment
3 stayed the same that was -- had been agreed to before
4 his involvement?

5 MR. CHALLY: Object to form.

6 THE WITNESS: The scope and the approach
7 did not change. I think I've said that a couple
8 times, but yeah, that's -- it did not change as
9 a result of that engagement.

10 BY MR. RICHARDSON:

11 Q. I'm not trying to harass you. As you
12 might imagine, that's a pretty important point in
13 some of the lawyering in this case. That's the only
14 reason I repeated it in a slightly different way.

15 Are you aware that someone called that
16 contract developed by the outside lawyer as an
17 attorney-directed vehicle?

18 MR. CHALLY: Object to form.

19 THE WITNESS: I -- I don't remember that
20 statement.

21 BY MR. RICHARDSON:

22 Q. What was your understanding of why Bechtel
23 was asked to do an assessment?

24 MR. CHALLY: Object to form.

25 THE WITNESS: In my conversations with

1 Steve Byrne and in the previous CEO meeting,
2 there was some concern on the trajectory of the
3 project. There had been to this point several
4 changes in both cost and schedule and that SCANA
5 and Santee Cooper were looking for an
6 independent assessment of -- of what was going
7 on on the project, what -- some recommendations
8 on what might be done to improve the trajectory
9 of the project. That was the discussions
10 leading up to the -- to the scoping of the
11 assessment.

12 BY MR. RICHARDSON:

13 Q. And who was Bechtel's client for the
14 assessment?

15 A. By contract, our client for the assessment
16 was their outside counsel.

17 Q. And who did you consider the -- Bechtel's
18 client?

19 A. SCANA and Santee Cooper continued to have
20 Steve Byrne as my direct interface on the technical
21 part of the contract, so I continued to interface
22 with Steve Byrne.

23 Q. And it's fair to say Bechtel continued to
24 consider they were working for the owners of the
25 project?

1 MR. CHALLY: Object to form.

2 THE WITNESS: They -- they established
3 SCANA, and Santee Cooper established technical
4 counterparts, and we followed that -- that
5 approach and continued to engage with those
6 technical counterparts during the performance of
7 the work.

8 BY MR. RICHARDSON:

9 Q. And is it normal for Bechtel to sign a
10 service agreement with a law firm instead of the
11 client or owner?

12 MR. GILMORE: Objection. Form.
13 Foundation.

14 THE WITNESS: I don't know that in
15 36 years there was any such thing as a normal
16 contract.

17 Yeah, we signed contracts sometimes with
18 external entities, sometimes with the actual --
19 you know, end customer themselves. I couldn't
20 quote you the number of times either way, but
21 the contracts, as you can imagine, are quite
22 varied in this work.

23 BY MR. RICHARDSON:

24 Q. And for this type of assessment, had you
25 ever signed a service agreement with a law firm?

1 A. I don't remember signing one with a law
2 firm.

3 Q. Before or since?

4 A. From my experience, I don't remember doing
5 one.

6 Q. From Bechtel's view, was there a benefit
7 to having the service agreement with the law firm
8 instead of the owners?

9 MR. GILMORE: Objection. Form.

10 THE WITNESS: It didn't change the way we
11 worked. There was no benefit or harm as a
12 result of that from a day-to-day operational
13 standpoint.

14 BY MR. RICHARDSON:

15 Q. And we're going to talk about the
16 distribution of the report later. And so it did have
17 an effect on the work?

18 MR. GILMORE: Objection. Form.

19 I'm sorry. Did you say it did or didn't?

20 BY MR. RICHARDSON:

21 Q. I'm asking if he agrees that it -- signing
22 the agreement with the law firm ended up having an
23 effect on the -- not on the work, but on the report
24 and its distribution. Is that right?

25 A. Ultimately, they ended up directing us

1 on -- on the final report and the distribution.

2 Q. Was there a deadline for completing the
3 assessment?

4 A. There were -- there was a framework for
5 completion of the assessment from a -- from a time
6 standpoint. I don't remember what the date was,
7 but -- off the top of my head.

8 Q. Do you remember there being a delay in
9 that, or not completing it within the framework of
10 the expected time?

11 A. I do remember that there was a delay in a
12 front-end start of it, primarily driven out of the
13 finalizing of the agreement and then getting the
14 documentation and information required to start the
15 assessment, did have some effect on the assessment.
16 But in general, the assessment was done in about the
17 same time frame that we anticipated.

18 Q. Do you know who made the payments for the
19 Bechtel work?

20 A. I don't remember that one.

21 Q. Do you know how much Bechtel was paid?

22 MR. CHALLY: Object to form.

23 THE WITNESS: I think it was --

24 MR. CHALLY: Just for the record, you mean
25 for the assessment?

1 MR. RICHARDSON: I'm sorry, what?

2 MR. CHALLY: You just -- so the record is
3 clear, do you mean for the assessment?

4 MR. RICHARDSON: What did I say?

5 MR. CHALLY: You said, "Do you know how
6 much Bechtel was paid?"

7 BY MR. RICHARDSON:

8 Q. Right, for the assessment. I'm just
9 talking about the assessment. Thank you.

10 A. I think it was a million.

11 Q. And do you know when it was paid in full?

12 A. It was paid in full when we reached final
13 agreement and delivered the -- the final reports. I
14 think it was -- and this is from memory -- I think it
15 was around February, March of the following year.

16 Q. Let's talk about the list of work product
17 that was shared with the -- with the client. If you
18 don't mind, I'll tell you what I believe there to
19 be -- there to be, and you just confirm whether you
20 know it or not: That there was an initial October
21 draft report, undated, that was shared with Michael
22 Crosby at Santee Cooper. Are you aware of that?

23 A. Yes, I am.

24 Q. Okay. And then there was an actual
25 presentation, that was I believe a PowerPoint, on

1 October 22nd to the executives of the owners?

2 A. That is correct.

3 Q. And then there was a November 9th draft
4 report shared with Michael Crosby, if you remember.

5 A. I don't -- I don't exactly remember that.
6 I mean, I remember that we submitted a draft report
7 to the customer ultimately as -- as our final work
8 product, ready for any final comments by them.

9 Q. Right.

10 A. We were complete, the assessment.

11 Q. Right.

12 A. The assessment was complete. The report
13 was complete. We submit as -- typically as a draft,
14 until we have customer comments on the report.

15 Q. So on November 12th, there's a -- the
16 draft that you're talking about goes to the -- a
17 number of customers -- people involved with the
18 client?

19 MR. CHALLY: Object to form.

20 BY MR. RICHARDSON:

21 Q. And then on February the 5th, there was a
22 final report, Project Assessment Report. Do you
23 remember that?

24 MR. CHALLY: Object to form.

25 THE WITNESS: Yes, in February the report

1 actually by this time had become two reports.
2 And yes, that was the -- then transmitted as
3 the -- together, as the final report.

4 BY MR. RICHARDSON:

5 Q. And the two reports were the Project
6 Assessment Report and the Schedule Assessment Report?

7 A. That's correct.

8 Q. And you were involved in the finalization
9 of each of those presentations or reports?

10 A. Yeah, I was a reviewer for the report,
11 both in its draft and its final form.

12 Q. And as you've said already, that
13 Mr. Miller was the person you assigned to lead the
14 assessment team and would have been primarily
15 responsible for ensuring that you got a -- a draft or
16 review that would be ready to go after that review to
17 the client?

18 A. That's correct.

19 Q. Let's talk -- let's go back and talk a
20 little bit about what you mentioned, the delays early
21 on in the assessment. You experienced some
22 difficulty getting access to documents that were
23 needed for the assessment?

24 A. That's correct. That was documents from
25 the consortium that would -- that we would need in

1 order to do the analysis.

2 Q. And are you familiar with who was trying
3 to work through those issues?

4 A. I mean, Dick, as our lead of the
5 assessment, was the primary interface; but I did
6 engage Steve Byrne several times during this period,
7 urging that they engage and -- and ensure that we
8 have this data, because starting the team without
9 having the data to analyze would -- would not -- not
10 be a good value for them.

11 Q. And it was a big enough problem that the
12 team couldn't handle it. It had to be not only at
13 your level, but also Mr. Albert had to get involved,
14 because of these access-to-information problems in
15 the early part of the assessment?

16 A. It did ultimately get raised to the CEO
17 level. That's correct.

18 Q. And were -- you've talked about data and
19 documents, but were there also problems with access
20 to the site itself?

21 A. In general, it was not a site access
22 issue, but it was access to documentation and things
23 like that. It was primarily that. SCANA gave us
24 access to the site almost immediately. They gave us
25 office space to work out of for the assessment,

1 badging process, et cetera.

2 So -- so access to the site, I would not
3 view as a -- as a major issue. It was really getting
4 the data that we would need to start building the
5 analysis.

6 Q. And did you eventually get all the data
7 and documents that you needed for the assessment?

8 A. We ultimately got everything we needed to
9 do the assessment we performed.

10 Q. And how about access to interviews with
11 individuals that were working on the project? Did
12 you have any trouble there?

13 A. I don't remember specific issues with it.
14 In general, we ultimately got access to everybody
15 that we needed to talk to as part of the -- or
16 interview as part of the assessment. I don't
17 remember a specific hard spot.

18 Q. And when you were -- Bechtel folks were
19 accessing the site, were they escorted, or were they
20 able to roam freely?

21 A. No, our -- our team was badged and were
22 able to, you know, go to meetings with the consortium
23 and -- and engage directly with them.

24 Q. Did you -- did the folks at Bechtel doing
25 the assessment complain about not being welcomed by

1 SCE&G or SCANA?

2 MR. CHALLY: Object to the form.

3 THE WITNESS: Oh, I -- not -- not that I
4 remember. I don't remember anybody saying,
5 "Wow, they don't want us here." I mean, in
6 general, even the consortium was very open with
7 us, where they could be.

8 Our -- some of the members of our team
9 had, you know, longstanding relationships with
10 some of the -- their SCANA counterparts.
11 Steve Routh, who was our licensing lead, was
12 part of the team and had very close
13 relationships with the folks on the SCANA side,
14 and that helped to -- to get the team up and
15 running pretty quickly.

16 BY MR. RICHARDSON:

17 Q. Were there any parameters or restrictions
18 placed on Bechtel communicating with the consortium?

19 MR. CHALLY: Object to form.

20 THE WITNESS: I don't remember specific
21 limitations. I really don't. I . . .

22 BY MR. RICHARDSON:

23 Q. None that --

24 A. None that stick out in my memory, yeah.

25 Q. Or that affected the assessment?

1 A. Yeah. We had access -- we ultimately had
2 access to the people and the data that we needed to
3 complete the assessment that we did.

4 Q. And would you be aware of all the
5 individuals on site that were interviewed or were
6 sought to be interviewed?

7 MR. CHALLY: Object to form.

8 THE WITNESS: If you're asking me if I
9 could rattle off the names, the answer would be
10 no.

11 BY MR. RICHARDSON:

12 Q. Or if you could recognize one that I might
13 be interested in asking.

14 A. I might recognize some of them, because I
15 in general was there at the site every week or so to
16 -- I would engage with Steve, or Michael Crosby, and
17 with the team, to make sure that they had everything
18 that they needed, so I may remember some of the
19 names.

20 Q. So during the assessment you were fully
21 engaged, not as a member of the team, but as the
22 supervisor, essentially, of the team?

23 A. Yeah. I was engaged primarily interfacing
24 with the customer, to make sure, you know, I
25 understood their view of our -- of -- of what we were

1 doing and -- and make sure there wasn't, you know,
2 any issues coming out of relationships or access and
3 things like that. It was just -- just good business
4 to keep connected with them.

5 Q. Do you know or remember talking to Ken
6 Browne?

7 A. I don't remember speaking to Ken Browne.

8 Q. Do you know about the Office of Regulatory
9 Staff?

10 A. Yes. I mean, I know the -- I know the
11 name.

12 Q. Were -- were they involved at all in the
13 assessment?

14 MR. CHALLY: Object to form.

15 THE WITNESS: I don't remember that they
16 got engaged at all in the assessment.

17 BY MR. RICHARDSON:

18 Q. Were you aware that ORS had monitors on
19 the site?

20 A. Yes.

21 Q. Did you all -- did you know who they were?

22 A. I might have met them once. I think they
23 were actually -- a couple of them might have been in
24 the same building that SCANA had our office space in.
25 I -- I couldn't name them for you, but I might have

1 met them while I was there one of the times.

2 Q. Did Bechtel talk to them for the
3 assessment?

4 MR. CHALLY: Object to form.

5 THE WITNESS: I don't remember that we
6 talked to them for the assessment. We were
7 primarily focused on engaging with the
8 consortium and the SCANA and Santee Cooper
9 oversight team of the work.

10 Our focus was looking at the work,
11 understanding what work was left to go and what
12 the issues were on the site, being able to
13 deliver that work.

14 BY MR. RICHARDSON:

15 Q. How did you learn about ORS?

16 A. I've worked in this industry for a long
17 time and -- and you know, have engaged with, you
18 know, with SCANA also. So I think Steve may have
19 introduced me to them.

20 Q. But you don't remember?

21 A. I don't remember specifically.

22 Q. Did you ever hear that information should
23 be withheld from ORS?

24 A. I don't remember --

25 MR. CHALLY: Object to form.

1 THE WITNESS: -- any statement like that
2 ever made.

3 BY MR. RICHARDSON:

4 Q. Do you remember -- hear any information
5 that it -- have any discussions that information
6 should be shared with ORS?

7 MR. CHALLY: Object to form.

8 THE WITNESS: I never had -- was engaged
9 in a discussion like that with a customer or
10 with my team.

11 BY MR. RICHARDSON:

12 Q. What were the concerns of the client in
13 how information during the assessment was collected?

14 MR. CHALLY: Object to form.

15 BY MR. RICHARDSON:

16 Q. Kept confidential, for example?

17 MR. CHALLY: Same objection.

18 THE WITNESS: I'm not sure I understand
19 your question. Are you talking about the -- the
20 data given us as part of -- of the assessment?

21 BY MR. RICHARDSON:

22 Q. For example, early on -- let's call it May
23 or June -- you all signed an NDA, a nondisclosure
24 agreement --

25 A. That's correct.

1 Q. -- simply to talk to them about the
2 project.

3 Then you had an agreement in early August,
4 you know, with the services agreement that had
5 confidentiality pieces.

6 A. Uh-huh.

7 Q. And then ultimately, you had a pretty
8 strong message from the client not to share the
9 report except in a very narrow path.

10 So that's what I'm asking: If there were
11 other things in addition to those that the client
12 wanted to be sure to restrict how information was
13 used or reported --

14 MR. CHALLY: I'll --

15 BY MR. RICHARDSON:

16 Q. -- from the assessment.

17 MR. CHALLY: -- object -- object to the
18 form and the predicate that preceded that
19 question.

20 THE WITNESS: I mean, it is -- the way we
21 do this is we establish a set of access
22 protocols based on the requirements of the
23 customer and set up a data vault, basically,
24 that -- that holds this material, and then limit
25 access to those folks who are, you know, bound

1 by the NDA, so that we -- we keep control of,
2 you know, sensitive customer information.

3 It is very common. It is the way you
4 operate in this type of an environment, where
5 there is sensitive information that may end up
6 being accessed by the team.

7 So we had a set of standard protocols in
8 place. We had limited access to the data set
9 that was limited to those folks who were bound
10 by the NDA and maintained that throughout the
11 entire assessment. And that's what we did.

12 BY MR. RICHARDSON:

13 Q. No -- no question from your all's
14 perspective. I'm asking, how about from the owners'
15 perspective? They set up a reading room, for
16 example, that you could access but couldn't download
17 or print from?

18 A. That's correct. And again, that's not
19 unusual when you're doing this type of assessment,
20 that in some cases you have read-only access to some
21 documents. So not -- not unusual that we would have
22 a reading room or a -- a sandbox that you would be
23 able to go in and access but not download certain
24 data.

25 The data that was critical to the

1 assessment was provided in -- in -- many times in
2 electronic format that allowed us to manipulate and
3 analyze the data, so -- but that tended to be
4 different information than that information that was
5 just accessible in a -- in the reading room or in
6 that -- in that reading data.

7 Q. Were you all familiar with the Base Load
8 Review Act, the South Carolina statutory scheme under
9 which the plant was being financed?

10 A. I have some light understanding of it. I
11 was not engaged deeply in that -- in that at all,
12 so . . .

13 Q. It wasn't part of the assessment?

14 A. No. We were assessing the -- the work,
15 the to-go work issue, performance issues on site, and
16 looking at where we could recommend improvements.

17 Q. Were you aware of the reporting
18 requirements under the Base Load Review Act to ORS
19 and the Commission?

20 MR. CHALLY: Object to form.

21 THE WITNESS: I'm -- I'm not aware of
22 them.

23 BY MR. RICHARDSON:

24 Q. Did -- did you all look at quarterly
25 reports that had been filed either with ORS or the

1 Commission?

2 A. For the assessment, no. The assessment
3 primarily focused on the outputs from the consortium
4 to SCANA and Santee Cooper, so -- as well as internal
5 documents they -- they used to measure their own
6 performance.

7 Q. Did you know at the time that the -- that
8 Bechtel's assessment was not reported in any way?

9 MR. CHALLY: Object to form.

10 MR. GILMORE: Object to form.

11 THE WITNESS: No. I mean, there was -- I
12 didn't have visibility to that, whether -- what
13 SCANA or Santee Cooper did with it.

14 BY MR. RICHARDSON:

15 Q. Have you learned since then that it was
16 not disclosed until late 2017?

17 MR. CHALLY: Object to form.

18 MR. GILMORE: Objection.

19 THE WITNESS: I read the newspapers, if
20 that's what you're asking.

21 BY MR. RICHARDSON:

22 Q. And when you read the newspapers and --
23 and learned that the Bechtel assessment report hadn't
24 been publicly disclosed until late 2017, did you have
25 any reaction?

1 MR. CHALLY: Object to form.

2 MR. GILMORE: Object to form.

3 THE WITNESS: I mean, not really. I mean,
4 I -- we -- we did the assessment they asked us
5 to do, submitted it in the way they asked us to
6 submit it; and what they did with it after that,
7 I really didn't get engaged in at all.

8 BY MR. RICHARDSON:

9 Q. The steps that Bechtel took to complete
10 the 2015 assessment, are they -- are those fairly
11 standard, that you would have used in other -- other
12 assessments and other projects?

13 MR. CHALLY: Object to form.

14 MR. GILMORE: Same objection.

15 THE WITNESS: Yes. I mean, in general,
16 when you're doing this type of assessment, there
17 is a standard format or protocol that you --
18 that you follow.

19 So -- so yes, very similar. They're all a
20 little bit unique, but, you know, in many cases
21 they're -- they're similar.

22 BY MR. RICHARDSON:

23 Q. We'll look at these in a minute, but I
24 wanted to ask, did you -- other than in the report
25 and -- and the presentations that we talked about,

1 did you have conversations with the owners that the
2 information on the schedule and the completion dates
3 being provided them by the consortium were -- were
4 wrong?

5 MR. CHALLY: Object to form.

6 THE WITNESS: Beyond the work products, we
7 had at least weekly meetings with the customer
8 that -- at which we went over every part of the
9 assessment and where we stood, some of the
10 early, early things we were seeing. Because our
11 intent was that by the time we issued the final
12 report, that there were no surprises; that we
13 had brought the customer along, you know, all
14 along the way, so that -- so they -- they didn't
15 have, you know, shock and awe at the -- at the
16 last -- at the last minute.

17 So -- so we did follow that process and
18 had, as I said, at least weekly updates with --
19 with -- where there tended to be, you know,
20 10 to 15 people that would attend from, you
21 know, SCANA and Santee Cooper. And we would
22 literally go through each -- each piece.

23 And -- and so there were very early
24 indications that the schedule and cost were in
25 jeopardy.

1 BY MR. RICHARDSON:

2 Q. And how about that specific part that
3 the -- that the information in the schedule and the
4 cost being provided by the consortium to the owners
5 was wrong?

6 MR. CHALLY: Object to form.

7 THE WITNESS: I don't remember
8 specifically how it was communicated. I mean, I
9 generally wasn't at those meetings. We would --
10 we would tend to communicate what we believed it
11 to be, so we would have communicated what --
12 what our analysis was showing.

13 BY MR. RICHARDSON:

14 Q. And your analysis was showing that the
15 schedule and cost information provided by the
16 consortium was wrong?

17 MR. CHALLY: Object to form.

18 THE WITNESS: Our analysis, yes, it was
19 showing that the schedule, specifically the
20 schedule which would then drive, you know, the
21 effort was -- would move out considerably from
22 where they were currently reporting.

23 BY MR. RICHARDSON:

24 Q. And in light of not wanting to surprise
25 the client at the end, I mean, was it apparent in

1 these weekly meetings that SCE&G already knew the
2 schedule was wrong?

3 MR. CHALLY: Object to form.

4 MR. GILMORE: Same objection.

5 THE WITNESS: As I said, I mean, we
6 communicated our progress as we went along,
7 so -- so we would not have left our findings go
8 uncommunicated. And I think, if you have read
9 the report, you would see that the minutes and
10 the, you know, agendas from those weekly -- from
11 those weekly meetings were included as part of
12 the -- part of the report. So you could see the
13 subjects, and you could see -- see what was
14 being discussed.

15 BY MR. RICHARDSON:

16 Q. Right. And I'm asking about, you know,
17 the pushback or the -- or the what was -- was there
18 surprise or disagreement from SCE&G when you're
19 giving them your all's findings?

20 MR. CHALLY: Object to form.

21 THE WITNESS: Did you mean in the weekly
22 progress updates?

23 BY MR. RICHARDSON:

24 Q. Yes.

25 A. In general, we didn't get pushback in the

1 weekly updates. It was -- it tended to be very much
2 a -- a one-way communication, where -- where the
3 customer was in receiving mode, and we were, you
4 know, walking them through where we were with the
5 analysis.

6 It was not a -- really a forum for debate,
7 if that's -- if that's the question you're asking.
8 So in general, there wouldn't have been pushback.
9 I'm not aware of any that there was in any of
10 those --

11 Q. Okay.

12 A. -- updates.

13 Q. Was it apparent that SCE&G already knew
14 there were problems, significant problems with the
15 schedule?

16 MR. CHALLY: Object to form.

17 THE WITNESS: In the interview process, we
18 certainly -- it certainly came through that the
19 SCE&G and -- and Santee Cooper oversight folks
20 knew that -- where there were some considerable
21 hard spots in the schedule.

22 BY MR. RICHARDSON:

23 Q. And what do you mean when you say
24 "considerable hard spots in the schedule"?

25 A. There were issues that the consortium were

1 tracking that were not reflected in the schedule. So
2 the schedule that was being provided would exclude
3 these -- the evaluation of these impacts ultimately
4 on the schedule, because they were still being
5 analyzed.

6 Q. And what were some of those impacts on the
7 schedule that were being excluded?

8 MR. CHALLY: Object to form.

9 THE WITNESS: I don't remember
10 specifically the issues --

11 BY MR. RICHARDSON:

12 Q. Risk probabilities?

13 A. -- I really don't.

14 MR. GILMORE: Objection. Form.

15 MR. CHALLY: Same.

16 THE WITNESS: I don't remember what
17 specifically they were. I apologize.

18 BY MR. RICHARDSON:

19 Q. No problem. And did SCE&G or -- or Santee
20 Cooper folks in those interviews ever give an
21 explanation of why the schedules being provided were
22 excluding some of those impacts?

23 MR. CHALLY: Object to form.

24 THE WITNESS: I was not in those
25 interviews, so I -- I only saw the output, if

1 you will, from the -- that was aggregated from
2 the interviews. Wasn't in them, so I really
3 couldn't answer that.

4 BY MR. RICHARDSON:

5 Q. And in your conversations with Steve Byrne
6 or anyone else at the -- at the owners, did you have
7 discussions about that -- that issue?

8 A. Which -- the issue on the . . .

9 Q. The schedule being provided on the project
10 that you were assessing had issues and impacts that
11 were being excluded that -- that affected the
12 schedule?

13 MR. CHALLY: Object to form.

14 THE WITNESS: He and I did have -- I mean,
15 in my, you know, biweekly connections with him,
16 we did talk about the -- the -- some of the
17 things that we were seeing in the -- in the data
18 that was inconsistent. And so we did
19 specifically talk about, you know, schedule.

20 BY MR. RICHARDSON:

21 Q. And what did Steve Byrne tell you about
22 the schedule?

23 A. Our -- our meetings, again, tended to be
24 more updates of where things were going, and me
25 asking for his input, if he thought we needed to look

1 more in an area or get feedback from him on what
2 our -- how our team was doing. So I don't remember
3 any specific debates on the schedule, if you will,
4 with him.

5 I know -- I do remember one specific
6 discussion where I brought up that the assumed
7 performance by the consortium on the to-go work was
8 significantly more aggressive than what they were
9 actually seeing in the current performance. So there
10 was a -- you know, a stark difference in what it
11 would take to perform on the to-go versus what they
12 were actually seeing in the performance, both
13 previously and at the time we were doing the
14 assessment, kind of contemporary with the assessment.

15 Q. So there's no question, in those meetings
16 during the assessment, you talked with Steve Byrne
17 about Bechtel doing a schedule assessment?

18 MR. CHALLY: Object to form.

19 THE WITNESS: Every single week we went
20 through the -- and you can see it in all the
21 attachments to the -- to the main assessment
22 report, that every week we talked about where we
23 were in analyzing the schedule, because
24 analyzing the schedule was needed to even do --
25 to -- to feed as an underpinning either the

1 foundation or the actual fabric that holds
2 together the rest of the assessment.

3 Part of understanding the trajectory of
4 where the project was going is understanding
5 the -- the schedule. And -- and understanding
6 the schedule drives your view of, you know,
7 resource curves and, you know, performance in
8 specific areas, performance to date versus
9 performance to go, and what that might -- that
10 might look like.

11 So yes, we talked about it every single
12 week, with customer, in those weekly update
13 meetings, every week, and listed them out. You
14 could go and look at the document today, and you
15 could see where we were on each part of the
16 analysis, the schedule being a big part of it.

17 BY MR. RICHARDSON:

18 Q. And it greatly affected the cost to
19 completion?

20 MR. CHALLY: Object to form.

21 THE WITNESS: Yes. The schedule -- the
22 to-go schedule directly affects the cost to go.

23 BY MR. RICHARDSON:

24 Q. And in all those discussions during the
25 assessment, neither Steve Byrne nor anyone with the

1 owners ever told you to not do a schedule assessment,
2 did they?

3 MR. CHALLY: Object to form.

4 THE WITNESS: I don't remember anyone
5 telling us to stop evaluating the schedule or to
6 not do an evaluation of the schedule. It was
7 part of doing the assessment. That was in the
8 scope.

9 BY MR. RICHARDSON:

10 Q. And SCE&G did not tell you to stop doing
11 the schedule assessment, did they?

12 A. Not -- not that I remember.

13 Q. And given how the assessment proceeded and
14 the report ultimately was issued, it's clear to you,
15 even today, that SCE&G didn't tell you not to do a
16 schedule assessment, isn't it?

17 MR. CHALLY: Object to form.

18 THE WITNESS: That's correct.

19 BY MR. RICHARDSON:

20 Q. Did the assessment find that workers were
21 engaged and motivated on the -- this project?

22 A. No. At the time, the morale was, as I
23 remember, not good on the project, both from a worker
24 standpoint as well as the leadership -- leadership on
25 the project.

1 Q. And we know there was some concern about
2 project management as well by the SCE&G leadership?

3 A. That's correct.

4 Q. One of those was about having an owners'
5 engineer. Do you remember that?

6 MR. CHALLY: Object to form.

7 THE WITNESS: I -- I do remember that
8 ultimately we recommended to them that they have
9 a -- have an independent oversight organization
10 that -- that would be practitioners. So like an
11 owners' engineer.

12 BY MR. RICHARDSON:

13 Q. And that's good project management for a
14 nuclear construction plant, isn't it?

15 MR. CHALLY: Same objection.

16 THE WITNESS: In my experience, projects
17 at this scale often have independent owners'
18 engineer working on the owners' behalf as part
19 of the oversight.

20 BY MR. RICHARDSON:

21 Q. And particularly when there have been
22 years of disputes and issues between the owner and
23 consortium, right? As there was in this case?

24 MR. CHALLY: Object to form.

25 THE WITNESS: Could you ask the question

1 again?

2 BY MR. RICHARDSON:

3 Q. Sure. You said that in your experience
4 in -- projects on this scale often have an
5 independent owners' engineer working on their behalf.
6 And I was asking, in this project, given the years of
7 disputes and -- and discord between the owners and
8 the consortium, it would be even more important to
9 have that part of -- of project management
10 improvement, wouldn't it?

11 A. If you're asking my opinion, which is what
12 I gather from your question, yes, I think that could
13 strengthen the need.

14 Q. And in this case, it did strengthen the
15 need for Bechtel's recommendation?

16 MR. CHALLY: Object to form.

17 BY MR. RICHARDSON:

18 Q. Right?

19 A. Yes.

20 Q. Do you know why it was not done in this
21 project?

22 A. I do not.

23 Q. Did you ever have a conversation with
24 Steve Byrne in which he said something about owners'
25 engineer?

1 A. I don't remember a specific conversation,
2 although we probably did talk about it. But I don't
3 remember any specifics.

4 Q. And do you know if SCE&G ever hired an
5 owners' engineer on this project?

6 A. I don't know. I don't know if they did.

7 Q. Do you remember that the -- from the draft
8 report to the final report, the schedule assessment
9 was removed; do you remember how Bechtel learned that
10 SCE&G wanted the schedule assessment removed from the
11 final report?

12 MR. CHALLY: Object to form.

13 THE WITNESS: What I remember from that is
14 Steve Byrne gave me a heads-up call that said,
15 you know, that there were going to be
16 significant comments on the report. He also
17 shared with me that he was disappointed that --
18 that some of our language in the report was hard
19 on SCANA in the performance of their oversight
20 role.

21 Subsequent to that phone call, I was
22 provided the markup. And the markup was not
23 about splitting the report. It just blacked out
24 the sections that the customer did not want in
25 the report.

1 BY MR. RICHARDSON:

2 Q. And for the most part, that was the
3 schedule assessment?

4 MR. CHALLY: Object to form.

5 THE WITNESS: Yes.

6 BY MR. RICHARDSON:

7 Q. And when you say "blacked out," you're
8 talking about electronically squared-off blocks that
9 were superimposed on the draft report so that you
10 could not read those sections?

11 A. Yes. A black box filled in over top of
12 the report.

13 I had never seen comments on a report that
14 looked like that. I didn't consider that comments.
15 That's -- that's redaction.

16 Q. That was my next question: Those are --
17 are those comments?

18 Were there any other comments that -- that
19 accompanied the redactions requested by the SCE&G?

20 A. No other comments accompanied the
21 blacked-out report.

22 Q. Did you have another conversation with
23 Steve Byrne after you received the marked-up version?

24 A. I did.

25 Q. Tell me about that conversation.

1 A. In that conversation, I -- what I remember
2 of it, you know, it was, you know, went sort of like,
3 you know, these aren't comments. Comments is a box
4 in the margin with a couple words that says, you
5 know, "I recommend you reword this," or "I provide
6 this feedback."

7 It was -- call it what it was. It was me
8 calling him and saying, "What's going on? This is
9 not a markup."

10 Q. And what did he say?

11 A. There wasn't a lot of conversation. He
12 reinforced with me again that they were not happy
13 with -- with the way we described, because -- other
14 things were blacked out, is the way we described
15 SCANA's oversight.

16 And I don't remember exactly what he said
17 about the schedule, but that generally he was, you
18 know -- that's -- that -- how can you make these
19 schedule -- how can you reach these schedule
20 conclusions with the work that you've done in only
21 eight to ten weeks?

22 It was not a long conversation. I refused
23 to take it out of the report.

24 Q. And those conversations were in and around
25 Thanksgiving?

1 A. Yeah. I don't remember exactly the date.
2 It was -- it would have been, you know, the one was
3 prior to the blackout report coming over, and one
4 was, you know, just subsequent to it.

5 I don't remember the actual dates. I'm
6 betting it was maybe right after Thanksgiving, that
7 last conversation that he and I had.

8 Q. And is it fair to say you disagreed his
9 questioning how Bechtel could reach the conclusions
10 in the schedule assessment with the work it did?

11 A. Yes. I disagreed with it.

12 Q. Were there any other conversations about
13 the markup or redactions that were sent by SCANA?

14 A. That is the only conversation I can
15 remember having about it at that time, you know, in
16 that time frame.

17 Q. And then we know, you know, it doesn't get
18 issued until February. This is November 25th or so.
19 Was -- do you know what -- tell us -- tell us what
20 communications happened that caused that delay, or
21 that would explain that delay?

22 A. Any direct communications on the work
23 product in that period were handled through counsel.

24 Q. And do you -- can you identify those
25 counsel? Wenick --

1 A. I mean, George Wenick was the --

2 Q. And who for Bechtel?

3 A. Martyn Daw.

4 Q. And tell me about Martyn Daw.

5 A. Martyn is our inside counsel for NS&E, for
6 the business line.

7 Q. He was essentially Craig Albert's general
8 counsel?

9 A. Correct. He was -- and he was assigned to
10 this -- to this -- this work was assigned to him,
11 from a counsel standpoint.

12 Q. And you worked with Martyn, too, if you
13 needed something from legal on the project?

14 A. That's correct, yeah.

15 Q. And who would have been -- well, you said
16 you refused to remove the schedule assessment from
17 the report altogether, as the client had asked?

18 MR. CHALLY: Object to form.

19 THE WITNESS: Yes, that's what I -- I
20 said. I said I would not take that out of the
21 report, that it -- that the report would not --
22 that the schedule assessment gives the entire
23 assessment context, and that I was unwilling
24 to -- to remove that part of the assessment.
25

1 BY MR. RICHARDSON:

2 Q. And were there any discussions about SCE&G
3 not wanting a report at all?

4 MR. GILMORE: Discussions with -- outside
5 of Bechtel?

6 MR. RICHARDSON: Yes.

7 BY MR. RICHARDSON:

8 Q. Did you learn that SCE&G did not want a
9 report? Written report?

10 A. I --

11 MR. GILMORE: I'll give a limiting
12 instruction to the witness. With respect to
13 communications you had with Mr. Daw, don't
14 disclose those. They would be protected by the
15 attorney-client privilege.

16 THE WITNESS: I -- in my conversations
17 with Steve Byrne, there was some discussion
18 about them maybe not wanting a report at all.

19 BY MR. RICHARDSON:

20 Q. And did -- and how did that get resolved?

21 A. Ultimately we agreed to their direction of
22 providing two reports.

23 Q. And did you become aware that Santee
24 Cooper was insisting on a written report be issued by
25 Bechtel?

1 A. I -- I remember there being some
2 discussions on -- on that. They weren't specifically
3 with me, but I do remember there were discussions
4 around that.

5 Q. Is it fair to say that Steve Byrne got
6 overruled on not having a written report?

7 MR. CHALLY: Object to form.

8 THE WITNESS: At the end of the day, we
9 submitted the written reports.

10 BY MR. RICHARDSON:

11 Q. And isn't it true Steve Byrne did not want
12 a written report?

13 MR. CHALLY: Object to form.

14 THE WITNESS: Feedback I got from him in
15 discussion was that they may just take the
16 presentation as the final work product.

17 BY MR. RICHARDSON:

18 Q. Right. Once he saw what the conclusions
19 and recommendations from Bechtel's assessment were,
20 he didn't want a written report, did he?

21 MR. CHALLY: Object to form.

22 THE WITNESS: As I said, his words to me
23 were, "We may just take the presentation as the
24 final report."

25 MR. RICHARDSON: Let's take a break, if

1 that suits everybody. A really short one, say
2 five minutes. Thank you.

3 VIDEOGRAPHER: We are going off the record
4 at 11:11.

5 (A recess transpired from 11:11 a.m.
6 until 11:24 a.m.)

7 VIDEOGRAPHER: We are back on the record
8 at 11:24.

9 BY MR. RICHARDSON:

10 Q. Mr. Troutman, did you have conversations
11 about what should be in the report or not in the
12 report with anyone at SCE&G other than Steve Byrne?

13 A. I did not.

14 Q. Did you have conversations with others at
15 Santee Cooper about what should be in the report or
16 not in the report?

17 A. I -- I do remember a conversation with
18 Michael Crosby related to the report and the . . .

19 Q. Do you remember what he said?

20 A. I don't remember specifically what he
21 said, but that conversation was about the content of
22 the report and my position that, you know, for the
23 report to be -- the assessment to be completed
24 needed -- needed the context of the schedule.

25 Q. And did Santee Cooper agree with you on

1 that?

2 MR. CHALLY: Object to form.

3 THE WITNESS: I -- I don't remember if he
4 agreed or disagreed with me. I -- I do remember
5 a conversation that he and I had about it.

6 BY MR. RICHARDSON:

7 Q. And the reports ultimately issued
8 contained all the conclusions and recommendations
9 that Bechtel believed should be in there; isn't that
10 right?

11 A. That's correct.

12 Q. The estimated completion dates determined
13 by Bechtel's assessment were critical to the project,
14 weren't they?

15 MR. CHALLY: Object to form.

16 THE WITNESS: From -- from an assessment
17 standpoint, they were critical -- certainly
18 critical to the customer. Time -- time is money
19 as the project extends out, so . . .

20 BY MR. RICHARDSON:

21 Q. And more than just time being money on a
22 project like this, because of the production tax
23 credits, isn't that right?

24 MR. CHALLY: Object to form.

25 THE WITNESS: That is correct.

1 BY MR. RICHARDSON:

2 Q. And you are familiar that the completion
3 dates that were being reported by SCE&G were within
4 the time to qualify for the federal production --
5 production tax credits, and that the schedule
6 assessment by Bechtel was outside of the completion
7 dates to qualify for those tax credits; is that
8 right?

9 A. I do know -- I do know that our assessment
10 range included dates outside of the tax credit date,
11 yes.

12 Q. In -- in your experience, have you ever
13 known schedule assessment or completion dates to be
14 removed from a report?

15 MR. CHALLY: Object to form.

16 THE WITNESS: I don't ever remember doing
17 some type of an assessment or study that --
18 where we did what ended up happening here, which
19 was breaking up the report.

20 BY MR. RICHARDSON:

21 Q. Or that it had been just removed from a
22 report? You wouldn't have allowed that, would you?

23 A. It -- it was -- it was part of the -- a
24 key part of the assessment.

25 Q. What about the restricted delivery of the

1 reports? Is that -- is it something that concerned
2 you all, that -- that possibly one of the owners
3 would not get the report?

4 MR. CHALLY: Object to form.

5 THE WITNESS: We signed up with a contract
6 that basically said we were doing it as an
7 attorney work product and -- and that we would
8 submit it to them, which is what we ultimately
9 did. So it was submitted to Mr. Wenick.

10 BY MR. RICHARDSON:

11 Q. But you all also shared it with Santee
12 Cooper before the -- a draft, a preliminary draft,
13 before the presentation on October 22nd, right?

14 A. Yes, we did. Yes.

15 Q. And so it's fair to say it was important,
16 having done the work, that the owners see the product
17 and result of the assessment, right?

18 MR. CHALLY: Object to form.

19 THE WITNESS: I mean, yes, they had asked
20 to see a draft of it, and we provided it.

21 BY MR. RICHARDSON:

22 Q. And Santee Cooper had been asking for a
23 copy of the final draft report that was provided on
24 November 12th for months, until the final report was
25 issued; isn't that right?

1 MR. CHALLY: I'll object to form.

2 THE WITNESS: I -- I don't remember when
3 they specifically engaged us after that for a
4 copy of the final report. I only had one
5 conversation with Michael Crosby in the -- in
6 the January, beginning of February time frame,
7 that I remember specifically him asking me,
8 "What's going on? You know, we haven't seen
9 this. What's -- what's happened with the
10 report?"

11 He was asking for a -- kind of an update.

12 BY MR. RICHARDSON:

13 Q. And do you know -- big picture,
14 ballpark -- how much time Bechtel spent on the
15 assessment?

16 A. Between eight and ten weeks.

17 Q. Ten people, full time?

18 A. Yeah.

19 Q. And how much of that time could be fairly
20 attributable to the schedule assessment?

21 A. Probably over a third of the time was
22 related to -- was schedule-related analyses. It was
23 a significant part of the report.

24 Q. Were you part of the presentation that
25 Bechtel made to the boards on October 22nd?

1 MR. CHALLY: Object to form.

2 THE WITNESS: I -- I was not. I was in
3 another meeting, in the UK.

4 BY MR. RICHARDSON:

5 Q. When you look back at the project and
6 doing the assessment, does anything particularly
7 stand out to you?

8 A. In -- in what regard? I'm not quite sure
9 what you're asking.

10 Q. In the context of, you know, 25 years of,
11 you know, higher-level involvement with Bechtel and
12 construction, nuclear construction projects. I mean,
13 we've already talked about how unusual it was about
14 getting the redactions. We've already talked about
15 the -- some of those issues.

16 A. I -- you know, we were contracted to do an
17 assessment. We brought in very experienced people to
18 do that assessment -- not only nuclear experience,
19 but experience recovering projects that had gone --
20 that had gone wrong. We used over 24 plants that we
21 were experienced in EPC of nuclear power plants or
22 had detailed planning done for new nuclear power
23 plants, in the case of four of those plants, and --
24 and based our to-go assessment on what we have been
25 able to do. And we did a good assessment, and I

1 still stand by it today.

2 Q. Was there anything unusual, in your
3 assessment of this project, with the -- with the
4 owners? I mean, we've seen the recommendations and
5 conclusions. But I mean, was this a -- was this a
6 project that -- that had something, aspect that stood
7 out to you as -- that was fatal to the project, for
8 example?

9 MR. CHALLY: Object to form.

10 THE WITNESS: I didn't see anything that
11 was fatal. And in fact, if you read the
12 assessment, you will see that we had
13 recommendations and believed that, you know, in
14 many cases there -- there could be some
15 recovery; however, that the end cost in the
16 schedule would not be able to be completed in
17 the -- what the consortium was projecting.

18 BY MR. RICHARDSON:

19 Q. Did Bechtel look at or have concerns about
20 the financial stability of Westinghouse?

21 A. We did not look into their financial
22 stability as part of the assessment. We -- we
23 focused on the work.

24 Q. Is that something, at least in hindsight,
25 should have been looked at?

1 MR. CHALLY: Object to form.

2 BY MR. RICHARDSON:

3 Q. Not necessarily in the scope of the
4 assessment, but at the time.

5 MR. GILMORE: Objection. Form.

6 THE WITNESS: I'm not sure that -- I mean,
7 "looked at." What does that mean? I -- it's
8 often difficult to assess, you know, that --
9 that health. So, you know, I -- I'm not sure
10 how you would -- how you would assess it at that
11 time period.

12 BY MR. RICHARDSON:

13 Q. Well, from a -- from --

14 A. From its impact on the to-go project. I'm
15 struggling a little bit with where you're asking me
16 to go with this. I'm sorry.

17 Q. No problem. Let me ask you this, then: I
18 mean the project -- based on your all's assessment,
19 the project could have been completed even if
20 Westinghouse completely folded, right? Even if it
21 wasn't Westinghouse, you -- if you -- you could
22 complete the project; you could recover it at some
23 schedule and at some cost, right?

24 A. That's correct.

25 Q. In fact, Bechtel could have come in at

1 that point and you could have given them a realistic
2 schedule and budget and completed this nuclear
3 construction project?

4 MR. CHALLY: Object to form.

5 BY MR. RICHARDSON:

6 Q. Couldn't you?

7 A. We have that experience; however, we were
8 not in any way positioning to take over the job from
9 Westinghouse or CB&I --

10 Q. Right.

11 A. -- at the time.

12 We were focused on other projects that --
13 that we were in relationships with the customers
14 already, that were new-build AP1000 projects. Our
15 interest in this is -- was primarily driven by if
16 V.C. Summer and Vogtle were not successful, Nextera
17 would probably not go forward with Turkey Point 6
18 and 7, and Georgia Power would probably not go
19 forward with Stewart County.

20 And we were engaged with both of those
21 customers on those projects, positioned well to
22 actually be the EPC partner for the customer. So our
23 desire to help was driven around the survival of
24 those projects.

25 Q. And ultimately in the success of new

1 nuclear in the United States, right?

2 A. Was riding on V.C. Summer and Vogtle being
3 successful.

4 Q. And as a nuclear construction firm, you
5 did not -- Bechtel did not want V.C. Summer and
6 Vogtle to be the last nuclear plants attempted in the
7 United States in our generation?

8 A. Yeah. Again, driven by the fact that we
9 were already engaged in what would be the next two
10 plants to be built.

11 And you're right, we were -- we were
12 concerned about the trajectory that the projects were
13 on and wanted to find a way to help so that the next
14 jobs would go.

15 Q. And it became obvious that this project
16 had significant problems of getting to completion,
17 when you all were asked to assess it?

18 A. Yes. I mean, we documented those in the
19 assessment.

20 Q. And Bechtel wouldn't be hired by an owner
21 in a project like this, for a million dollars, to
22 have a comprehensive assessment unless there were
23 problems that needed to be addressed?

24 MR. CHALLY: Object to form.

25 THE WITNESS: The reasons stated to me on

1 why we were brought on board, initially
2 contacted by Santee Cooper, was concerns over
3 the trajectory of the project, so -- so I mean,
4 that's why we were brought on board.

5 BY MR. RICHARDSON:

6 Q. And Bechtel's never been hired to assess a
7 project for a million dollars if there weren't
8 substantial problems threatening the success of that
9 project, right?

10 A. You rarely do studies and assessment on
11 things that are going rosy.

12 Q. And in this project, in 2015, things were
13 not going well, were they?

14 A. They were not.

15 Q. You all -- Bechtel was not hired by SCE&G
16 to analyze legal claims, were they?

17 MR. CHALLY: Object to form.

18 THE WITNESS: We were not. Wasn't part of
19 the scope.

20 BY MR. RICHARDSON:

21 Q. And Bechtel was not hired as an expert
22 witness in any form, consulting or testifying?

23 MR. CHALLY: Object to form.

24 THE WITNESS: That's correct. We were not
25 hired for that on V.C. Summer.

1 BY MR. RICHARDSON:

2 Q. Did Bechtel interact with Fluor in this
3 2015 assessment?

4 A. At the time, CB&I was still engaged, and
5 we did engage with CB&I, but not Fluor, on the
6 assessment.

7 Q. Was Bechtel aware that Fluor was coming in
8 to the project?

9 A. We knew that there was some workings
10 between Westinghouse and CB&I that would result in
11 another construction delivery partner.

12 Q. Do you remember having any communications
13 with Danny Roderick or anybody else about a -- the
14 big deal?

15 A. At this point, at the time we were
16 preparing to do the assessment, I don't remember
17 discussions around that time frame. I mean, later on
18 that year, I did engage with Danny Roderick and Jeff
19 Benjamin specifically on V.C. Summer and Vogtle, and
20 Bechtel coming in to help.

21 Q. What about, during the assessment, there
22 being a discussion about CB&I exiting the project and
23 Fluor coming in? Do you remember any discussions
24 about that?

25 A. I mean, we -- we knew that there were --

1 there was move, as I already said, that we knew that
2 there -- that Westinghouse was moving to -- to
3 potentially acquire -- it was happening, literally,
4 as we were -- as we were engaged with the assessment;
5 it was happening in parallel to it. So we were aware
6 of it.

7 Q. And were you aware that there was an
8 effort to keep that transition confidential, even
9 from the assessment team?

10 MR. CHALLY: Object to form.

11 THE WITNESS: I -- I don't remember
12 specifically. I mean, it wasn't something we
13 were assessing. But certainly we saw that there
14 were -- and knew that there were, you know,
15 changes happening in the project.

16 BY MR. RICHARDSON:

17 Q. And did you discuss those big changes with
18 the consortium members, with Steve Byrne during the
19 assessment period?

20 A. I don't remember. I mean, certainly by
21 the time we issued the final assessment report, the
22 big deal had already -- already been communicated to
23 us, both from Westinghouse and from SCANA.

24 So I don't remember specifically that it
25 was Steve Byrne that briefed us on it, but at the end

1 of the day, we -- we ultimately knew, and reflected
2 that in the -- in the report, because I remember a
3 specific question on, "Okay, what is this now going
4 to mean to your report? Because when you started the
5 report, this wasn't in place. Now the new deal is in
6 place. You know, how does that now affect some of
7 your thoughts on the outcomes?"

8 So if you look in the final report, you
9 will see that we've made some comments about what
10 would and wouldn't get -- what we believed would and
11 wouldn't get corrected by the fact that the
12 consortium arrangement was no longer going to be
13 there, and there would be a different contracting
14 structure, and how would that -- how would that
15 affect our findings or our recommendations. So we
16 specifically speak to that in the report.

17 Q. And did you have conversations about that
18 change with Steve Byrne?

19 A. I don't remember specific conversation
20 about it, but it would have been something we
21 discussed with the owners as well as the --
22 Westinghouse.

23 Q. All right. Did you ever recall a
24 conversation that you had or heard about with Steve
25 Byrne saying that he's not going to jail over this?

1 A. I was not engaged in a conversation about
2 that, but I did hear that he made that comment.

3 Q. And do you know what he was talking about?

4 MR. CHALLY: Object to form.

5 THE WITNESS: I don't remember the full
6 context of it, no.

7 BY MR. RICHARDSON:

8 Q. Do you know who he made that comment to?

9 MR. CHALLY: Object to form.

10 THE WITNESS: If my memory is correct, I
11 believe he made it to Carl Rau, in an interview
12 or discussion.

13 BY MR. RICHARDSON:

14 Q. And did you ever talk to Carl Rau about
15 that?

16 A. I mean, I found out about it from Carl.

17 Q. And tell me how Carl fits in the
18 hierarchy.

19 A. So Carl had -- so at the time, as I told
20 you, I was the president of Bechtel Power
21 Corporation, general manager, nuclear. Carl actually
22 had that position previously in Bechtel, was retired
23 from Bechtel and consulting back to us.

24 So -- so we used Carl as an executive
25 sponsor for this, because he had been engaged in

1 Comanche Peak and -- and some of the other projects
2 where we were -- got engaged in a turnaround of a
3 nuclear power plant that was partially complete.

4 So that's how Carl fit in. Brought him
5 in, you know, as a consultant, and assigned him to
6 the team to be the -- to be the executive on the
7 team.

8 Q. Is it concerning to you that the CEO of an
9 owner of a nuclear power plant construction project
10 is -- is using words like "I'm not going to jail over
11 this"?

12 MR. CHALLY: Object to form.

13 THE WITNESS: I believe Steve Byrne is the
14 COO, not the CEO.

15 BY MR. RICHARDSON:

16 Q. "COO," I meant to say.

17 MR. CHALLY: Same objection.

18 THE WITNESS: Yeah. I mean, it was
19 certainly an interesting conversation.

20 BY MR. RICHARDSON:

21 Q. Well, would it -- would it be concerning
22 to you, when you're assessing a project, and the COO
23 of the owner of that project is using -- making those
24 kinds of statements?

25 MR. CHALLY: Object to form.

1 THE WITNESS: I don't know Steve Byrne
2 well enough to know, you know, the tone or
3 context of the -- and was not involved in the
4 conversation, so I -- it's hard for me to assess
5 the context of the -- of the comment.

6 BY MR. RICHARDSON:

7 Q. If you were the -- the construction
8 consortium on a project, and the COO of the owner
9 used -- made that statement, you -- you couldn't
10 ignore it, could you?

11 A. Probably not.

12 Q. Did you ever ask Steve Byrne about that
13 comment?

14 A. I did not.

15 Q. If you had been the -- part of the
16 consortium on that project, when he made that
17 comment, would you have asked him about it?

18 A. I don't know that the consortium even
19 knows he made the comment. My understanding is it
20 was in a -- the context of a conversation directly
21 with Carl.

22 Q. I'm asking, is it concerning enough to
23 somebody who builds nuclear power plants to warrant
24 or require further investigation?

25 MR. CHALLY: Object to form.

1 THE WITNESS: Again, I -- I don't know the
2 tone or the context by which he used it. I
3 don't know him well enough to know whether it
4 would have concerned me or not. Had I been on
5 the conversation, maybe I would have been better
6 able to assess that.

7 BY MR. RICHARDSON:

8 Q. And maybe that's the further investigation
9 I'm asking you about. I mean, you can't just let
10 that kind of comment from a COO of the owner of a
11 nuclear power plant project go, can you?

12 MR. CHALLY: Object to form.

13 THE WITNESS: We -- we ultimately, in the
14 report, included the issues about SCANA's
15 oversight of the consortium.

16 BY MR. RICHARDSON:

17 Q. And I'm not talking about in the
18 assessment. I understand you all had a limited
19 engagement in scope.

20 I'm asking, as an experienced nuclear
21 construction company, that would -- that would
22 require further investigation on a project that you
23 all were the -- you all were part of the consortium,
24 right?

25 MR. CHALLY: Object to form.

1 THE WITNESS: It would depend the context
2 that it was used in.

3 BY MR. RICHARDSON:

4 Q. What involvement did Bechtel have in the
5 decision of abandonment in this project?

6 A. We had no involvement in the abandonment
7 decision on V.C. Summer.

8 Q. Did -- I think we talked about early on
9 some direct involvement. There may have been a staff
10 augmentation contract with SCE&G. Does that sound
11 familiar?

12 A. Yes. Initially we were staff augmentation
13 with Westinghouse, and then when -- just prior to
14 Westinghouse's bankruptcy, we entered into a direct
15 agreement with SCE&G.

16 Ultimately they chose Fluor, and we
17 exited. It was around the end of June, beginning of
18 July, we exited the project.

19 Q. But you all were actually working on the
20 project in 2016 with Westinghouse and then, right
21 around the time of the bankruptcy, with SCE&G on
22 the -- on the project?

23 MR. GILMORE: Objection. Form.

24 Foundation.

25 THE WITNESS: Right.

1 BY MR. RICHARDSON:

2 Q. And do you know why they changed that in
3 late June, why the owners moved to Fluor from using
4 Bechtel?

5 A. Steve Byrne directly told me that --
6 that -- he said that relationships in South Carolina
7 are very strong between SCE&G and Fluor, and that
8 they were going to choose Fluor as their constructor.

9 Q. Did he say what those relationships --

10 MR. GILMORE: Matthew, I'm sorry. You
11 might have misspoke on the prior question. I
12 think you said they were working in 2016, but I
13 think you meant 2017.

14 BY MR. RICHARDSON:

15 Q. No, the staff augmentation with
16 Westinghouse started in 2016. Right?

17 MR. GILMORE: Well, if you're asking --

18 THE WITNESS: Yes. I signed it Christmas
19 Eve, 2016. Yes. That's correct.

20 BY MR. RICHARDSON:

21 Q. Did Steve Byrne tell you what strong
22 relationships in South Carolina caused them to choose
23 Fluor over Bechtel in June of 2017?

24 A. There specifically -- was mentioning their
25 specific relationship with Fluor. I told him I was

1 disappointed, but understood, and that we would
2 orderly exit our people from the project and move
3 them to Vogtle. And we did.

4 Q. Did you all have any other conversations
5 at that time, other than the -- the relationship?

6 A. That's the last -- I believe that was
7 probably the last conversation I had with Steve
8 Byrne. It would have been around June of 2017.

9 Q. And when the transition occurred between
10 Westinghouse and SCE&G around the bankruptcy time,
11 who were you all dealing with at SCE&G?

12 A. I don't remember the person who was our
13 direct contact point. It was their construction
14 oversight lead at the time, that SCANA assigned kind
15 of as the contact person for our contract.

16 Q. Is it fair to say that transition from
17 Westinghouse to SCE&G occurred at levels lower than
18 Steve Byrne?

19 A. Yes. But Steve Byrne was engaged in the
20 decision to enter into a contract with Bechtel
21 directly.

22 Q. In March of 2017?

23 A. Yes, just prior to the -- to
24 Westinghouse's bankruptcy.

25 Q. When you did the schedule assessment, was

1 there a fully integrated resource-loaded construction
2 schedule for the project?

3 MR. CHALLY: Object to form.

4 THE WITNESS: It was not fully integrated.

5 BY MR. RICHARDSON:

6 Q. And it also wasn't resource-loaded by the
7 consortium, was it?

8 A. That's correct.

9 Q. Do you know if they ever had a fully
10 integrated resource-loaded schedule for the project?

11 A. I do not know if they -- if they did.

12 Q. Can you just tell us briefly why a fully
13 integrated construction schedule is important?

14 A. It's important because it allows you to
15 see the upstream driving activities directly affect
16 the implementation schedule. If it's not fully
17 integrated, it would mean that you do not have your
18 engineering and procurement activities in the
19 schedule in a way that they're driving activities.
20 So that -- the visibility and transparency that you
21 get from a schedule standpoint becomes much better
22 when it is fully EPC integrated.

23 Q. And how about just briefly why you need a
24 resource-loaded schedule for a construction project
25 like this.

1 A. So resource loading is what gives you the
2 ability to extract craft staff, reliable craft
3 staffing curves out of the schedule, and also analyze
4 the -- whether you can actually achieve the way the
5 schedule is structured. Because if your craft
6 staffing is too high, you may have what we call a
7 flesh quotient that -- you know, where you literally
8 have too many people in a room than you could
9 actually fit in the room to do the work.

10 You only see that when you have the
11 schedule resource loaded. It's very difficult to see
12 that and analyze that when it's -- when the resources
13 aren't in the schedule.

14 Q. And a resource-loaded schedule is even
15 more important when there's recovery that's needed
16 for a -- for a construction schedule that's either
17 been artificially constrained or is -- has slipped
18 to -- or been compressed, I guess, if you constrain
19 the completion date?

20 MR. CHALLY: Object to form.

21 THE WITNESS: Certainly if -- if someone
22 is using constraints in the schedule, when it's
23 resource-loaded, you see the manifestation of
24 that very quickly, because as the schedule
25 progresses and a constraint would be in place,

1 it would start to create peaking, and you could
2 see that in resource curves. In fact, you
3 really only see it well in -- in resource
4 curves. It's the -- it's the -- one of the best
5 telltales that you have a -- on getting a bow
6 wave, as we call it.

7 BY MR. RICHARDSON:

8 Q. And so if you had a constrained
9 construction schedule that had to satisfy a
10 particular substantial completion date, that had a
11 very compressed time frame because of that, you would
12 see it immediately if you had a resource-loaded
13 schedule?

14 MR. CHALLY: Object to the form of the
15 question.

16 THE WITNESS: You would start to see craft
17 peaking beyond what -- what was reasonable, yes.
18 It would be a telltale that you were getting to
19 the point that you had to unconstrain the
20 schedule.

21 BY MR. RICHARDSON:

22 Q. And if you were having to share that
23 schedule with other people, you could potentially
24 hide that effect by not providing a resource-loaded
25 schedule, couldn't you?

1 MR. CHALLY: Object to the form.

2 THE WITNESS: It would not -- you know,
3 the craft peaking wouldn't show up if you didn't
4 have resources loaded in the schedule that you
5 were providing as a deliverable, that's correct.
6 You would not see that.

7 You could -- you could look at other
8 things in the schedule and do some forensic
9 analysis that would allow you to still see float
10 erosion and some other telltales, but it's very
11 dramatic when you have it resource-loaded,
12 because it shows it's peaking.

13 BY MR. RICHARDSON:

14 Q. And if the resources aren't loaded in the
15 schedule and you have this constrained and compressed
16 schedule, construction schedule, you need to do a
17 schedule assessment in order to figure out that the
18 schedule is impossible to complete?

19 MR. CHALLY: Object to form.

20 THE WITNESS: The reason we did the
21 schedule assessment is to -- is to ferret out
22 the -- some of the issues that were driving the
23 trajectory of the project and why there were
24 constant surprises. So -- so it was very
25 important that we do that assessment to be able

1 to give recommendations on how to recover it.

2 BY MR. RICHARDSON:

3 Q. And so part of the reason you all did the
4 schedule assessment that you did was because this
5 project did not have a resource-loaded fully
6 integrated construction schedule?

7 A. We would have done the schedule assessment
8 even if they had it.

9 Q. To see if they were correct in what they
10 were showing?

11 A. Yes. Yes.

12 Q. But because they didn't have a
13 resource-loaded schedule, you couldn't tell, at first
14 look, that the schedule was constrained to the point
15 that recovery would not permit meeting the completion
16 dates?

17 A. Yeah. I mean, one of the reasons we
18 looked at specifically resources was we have very
19 good data on what we're able -- what we have been
20 able to do on other projects. So by applying
21 resources at a level 2 in the schedule, we could go
22 ahead and apply what actually happened on other
23 projects to the to-go work, which allows us to stand
24 behind our answer, because where it's not
25 theoretical, in that we've never performed at those

1 levels, it would be based on what we actually
2 performed at.

3 It's why we chose to do that instead of
4 using the way the consortium performed in the past,
5 or what they were speculating they could perform on
6 in the future. Rather than use either of those, we
7 looked at the to-go work and said, "Okay, no matter
8 how bad things have gone in the past or how good they
9 think they may go, here's the mean of what we've been
10 able to do."

11 And that's what we based the assessment
12 on.

13 Q. And performing a schedule assessment in
14 the way you just described gives you a -- a
15 construction schedule that is the most likely
16 outcome, if you're -- if you have good project
17 management and are realistic about the -- the
18 construction project?

19 MR. CHALLY: Object to form.

20 THE WITNESS: Barring other unique risks,
21 it would give you a range of outcomes that would
22 be most likely.

23 BY MR. RICHARDSON:

24 Q. And is not acceptable or good practice to
25 have construction schedules simply be the earliest

1 construction completion dates or the rosier picture,
2 is it?

3 MR. CHALLY: Same objection.

4 THE WITNESS: Typically you would have an
5 early and late, and you would monitor your
6 performance between that early curve -- what we
7 call an early curve -- and a late curve, from a
8 schedule delivery standpoint. And it is
9 monitoring what is in those boundaries that
10 basically provides you that -- it's the
11 management tool or the dashboard that you look
12 at to see how -- how the project's going.

13 BY MR. RICHARDSON:

14 Q. And it's not reliable to use what would be
15 the earliest completion date, based on the most
16 optimistic assumptions, as a construction schedule,
17 would it?

18 MR. CHALLY: Object to form.

19 THE WITNESS: In an assessment like we
20 did, we would typically always give a range of
21 outcomes, which we did. And that range is based
22 on, you know, a -- you know, kind of an early
23 and late look at the schedule.

24 BY MR. RICHARDSON:

25 Q. And I'm using a superlative that's

1 different than "early." I'm using "earliest,"
2 rosier picture, the most optimistic mitigation
3 plans, and assuming that they all work. Is it
4 reliable for a project or consortium or an owner to
5 rely on a construction schedule that -- that has the
6 earliest completion date, based on most optimistic
7 assumptions?

8 MR. CHALLY: Object to form.

9 THE WITNESS: I would not rely on just
10 that data point in managing the project.

11 BY MR. RICHARDSON:

12 Q. And it wouldn't be good project management
13 for a nuclear construction project, would it?

14 A. I would not rely on that one data point to
15 manage the project.

16 Q. Isn't it required, for successful
17 management of a nuclear construction project like
18 this, to have a resource-loaded fully integrated
19 construction schedule?

20 MR. CHALLY: Object to form.

21 THE WITNESS: It can depend on the phase
22 of the project that you're in. Your resource
23 loading, in general, as you're getting into the
24 construction, you would want it -- you would
25 want resource loading in the schedule by that

1 point.

2 Oftentimes, early in the engineering, you
3 would not have that fully integrated schedule.
4 You may have a -- you know, the actual
5 construction start posted out in time, and then
6 use your engineering percent complete as a gauge
7 as to when you would actually unpin that
8 construction.

9 So -- so based the phase of the project,
10 there are times that you don't have a fully EPC
11 integrated project. But as you -- as
12 engineering starts to overlap with procurement
13 and construction, best practice certainly is to
14 have an integrated schedule.

15 BY MR. RICHARDSON:

16 Q. And for this project, the concrete was
17 being poured in 2013. The basemat was laid in 2014.
18 I mean, they were well into construction by the time
19 the assessment -- you all were asked to come do an
20 assessment?

21 MR. CHALLY: Object to form.

22 THE WITNESS: That's correct.

23 BY MR. RICHARDSON:

24 Q. And the Westinghouse schedule that you all
25 were provided was an earliest completion date, not a

1 likely completion date schedule; isn't that right?

2 MR. CHALLY: Object to form.

3 THE WITNESS: You know, I don't remember
4 how their schedule was calculated. I do
5 remember that the schedule provided to us was
6 a -- what I call a "point schedule," in that it
7 wouldn't have this early and late range, so you
8 would not be able to -- so you didn't
9 necessarily see the -- you know, the float, the
10 float in the completion schedule between the
11 early and late date.

12 BY MR. RICHARDSON:

13 Q. And the Westinghouse schedule didn't
14 account for risk probabilities that should have been
15 in a construction schedule?

16 MR. CHALLY: Object to form.

17 BY MR. RICHARDSON:

18 Q. Isn't that right?

19 A. I don't remember exactly how they
20 considered risk. We did, however, find some risk --
21 risks or risk events that were not considered in
22 the -- in the schedule delivery, in the delivery
23 schedule. That's correct.

24 Q. And that's in the report?

25 A. It's in the report, yeah. You could find

1 that data in the report.

2 Q. Do you believe that a schedule must
3 account for risk probabilities in a construction
4 project like this?

5 A. In general, we would carry a risk
6 contingency that we would evaluate against -- we
7 would take a schedule contingency that we would
8 evaluate against the open risks, against schedule
9 delivery, and assess that schedule contingency value
10 over time. So we would not specifically have a risk
11 value in the schedule, but instead a schedule
12 contingency that we would monitor against the risk
13 table for the project; say, okay, are the risks
14 outweighing the -- the contingency value that we're
15 carrying in the schedule?

16 Q. And you need a risk contingency because
17 something always goes wrong in a construction
18 project, doesn't it?

19 A. Yeah, things go wrong in a construction
20 project.

21 Q. And so in having a reliable construction
22 schedule, you've got to have a risk contingency in
23 some way, shape, or form?

24 MR. CHALLY: Object to form.

25 THE WITNESS: Yes, we would typically have

1 an evaluated schedule contingency that we would
2 have, that we would evaluate on a periodic basis
3 against the risks on the project.

4 BY MR. RICHARDSON:

5 Q. Are you familiar with SCE&G's schedule
6 analysis done in 2017, after the Westinghouse
7 bankruptcy?

8 A. I am not familiar with it. I don't
9 remember seeing it.

10 Q. Okay. And Bechtel's schedule assessment
11 loaded resources and manpower into its schedule
12 assessment, didn't it?

13 A. That's correct, at a level 2.

14 Q. And let's talk about that, level 2 versus
15 level 3. Can you -- can you tell us what the
16 different --

17 A. Sorry. Ran out of water here.

18 Q. No problem.

19 A. Keep my throat going. Thank you.

20 Q. Sure.

21 A. Thanks. Could you reask the question?
22 I'm sorry.

23 Q. Absolutely. You're talking about a
24 level 2 schedule, and I wanted to know why you all
25 did not do a level 3 schedule assessment.

1 A. So for the analysis that -- that we do for
2 an assessment like this, you -- you don't have to
3 perform that analysis at a level 3.

4 I mean, you do -- you need a level 3
5 schedule to execute the job. But to analyze whether
6 or not a delivery is possible or probable in the --
7 in the way it's -- it's constructed, you can -- you
8 can do the analysis at a level 2. Because in doing
9 this analysis, you're looking at a couple things.
10 You're looking at the -- at the installation rates
11 for commodities, which is what we -- we keep
12 historical records on.

13 So it's -- it's a curve, and how steep the
14 curve is is how much can you possibly install in a
15 month. What is the best we've done? What's the mean
16 of what we've done over a set of projects?

17 And then the relationship between that
18 installation, between concrete, steel, pipe, and
19 electrical, those relationships on -- on projects of
20 this scale tend to be very consistent. They have
21 proven over time to have consistent relationships.

22 So what it has done, having all that data
23 allows us to do the analysis as a -- at a level 2,
24 because you're saying, "We couldn't install any more
25 than this, because over -- over the past, you know,

1 30 years, we've proven that that's what we can do.

2 We -- we haven't installed at any steeper curves than
3 this."

4 And then it also allows, at a level 2, you
5 can also do craft density analysis, because you --
6 you're doing that at kind of the building level. You
7 don't need to do it at the level 3 activity level.

8 Level 3 is -- you know, is quite detailed
9 to individual activities and components. Level 2
10 would tend to be more by a -- you know, structure
11 area, room, you know, standpoint. So -- so at a --
12 more at a little bit higher level, which is where you
13 do this type of analysis.

14 So performing the analysis at a level 3
15 doesn't make it any better or worse from a duration
16 standpoint. It just makes it -- makes it more
17 refined. And sometimes you can get a narrower band
18 of outcomes.

19 But history has told us that in general,
20 doing the analysis at a level 3, you're not going to
21 do better than that, because -- I mean at a level 2.
22 Because at a level 3, there actually may be logic,
23 specific logic to this process plant -- to this power
24 plant, in the case of V.C. Summer -- that would mean
25 you couldn't meet those historical installation

1 curves and would push the schedule out even farther.
2 So it is a -- we have found it to be a
3 balance of, you know, the -- of not being too
4 optimistic and not being too pessimistic to use our
5 historical data at a level 2 and then apply a range
6 of outcome probability to that -- to that level 2
7 analysis.

8 Q. And in comparison, the Westinghouse
9 schedule had no risk contingency, mitigation assumed
10 at best case, and no resource loading. And that
11 would -- even if it were a level 3, that would mean
12 it's not reliable schedule --

13 MR. CHALLY: Object --

14 BY MR. RICHARDSON:

15 Q. -- on a project like this; isn't that
16 right?

17 MR. CHALLY: Object to form.

18 THE WITNESS: Because you don't have those
19 things doesn't necessarily make it a bad
20 schedule. But without that, it's difficult to
21 analyze, you know, the probability of your
22 outcome succeeding. You know, you actually
23 being able to deliver that.

24 Those integrated ties between engineering,
25 procurement, and construction had more, you

1 know, reliability, because they drive the
2 schedule between the -- you know, gives you an
3 actual schedule driver of an installation. And
4 the resources give you the ability to get, you
5 know, warning signs as -- as you start to
6 compress the schedule because it will start
7 peaking out your craft.

8 There are other ways to measure that. You
9 can measure float deterioration and do float
10 analysis across the schedule. And as you start
11 to see that average float go down, it gives you
12 some of those same warning signs.

13 So it doesn't mean it's a bad schedule if
14 you don't have those things, but it's difficult
15 to analyze where you are without those --
16 without those components.

17 BY MR. RICHARDSON:

18 Q. And the Bechtel schedule assessment, using
19 the resource-loaded analysis that it did, showed that
20 the Westinghouse schedule without the resource
21 loading was not reliable?

22 MR. CHALLY: Object to form.

23 THE WITNESS: Showed it to be quite
24 optimistic, based on our experience.

1 BY MR. RICHARDSON:

2 Q. Okay.

3 A. Again, we used our experience on the
4 to-go. We didn't use the performance to date, which
5 was -- tended to be not near our experience
6 performance, our experience.

7 And we didn't use the to-go that was being
8 projected by the -- by the consortium, which in our
9 experience is -- was very aggressive, and we had not
10 seen that type of performance in our history over the
11 projects that we included in the evaluation.

12 Q. And so did Bechtel believe its schedule
13 assessment was more reliable than what it found in --
14 was provided by the project in this assessment?

15 A. We stand behind our assessment, based on
16 our historical data, which we -- over multiple
17 nuclear power plants.

18 MR. RICHARDSON: We have to break for this
19 -- for the DVD anyway, so let's take just a
20 quick break while she changes that out, then
21 we'll talk about the rest of the schedule.

22 VIDEOGRAPHER: We are going off the record
23 at 12:17.

24 (A recess transpired from 12:17 p.m. until
25 12:30 p.m.)

1 VIDEOGRAPHER: We are back on the record
2 at 12:30.

3 BY MR. RICHARDSON:

4 Q. Mr. Troutman, in Bechtel's schedule
5 assessment, did -- did you all use productivity
6 factors as part of that assessment?

7 A. Our installation curves are based on our
8 productivity factors that we have experienced
9 historically, so it kind of all gets baked in out of
10 those -- out of our historical data.

11 Q. And were you all aware of the project's
12 historical productivity factors?

13 A. We did look at what the -- how the
14 consortium had performed to date, as well as what
15 they were -- how they were projecting to perform in
16 the future.

17 Q. And how would you characterize how they
18 had performed on this project?

19 A. So the to-date performance was at a lower
20 level of performance. The to-go was -- I would
21 characterize it as quite aggressive. Again, a lot of
22 that drove us to say, well, you know, the best way to
23 assess this is what have we seen in our historical
24 performance, and that kind of balanced the
25 assumption, if you will.

1 Worst case would be assuming that
2 performance never got any better than it was to date.
3 Certainly looking at their go-forward schedule, it --
4 based on a case that -- or performance that we had
5 not seen in the past. So -- which is why we
6 ultimately selected using our historical data in the
7 to-go analysis.

8 Q. And did you all look at what the result
9 would be if you used the project's historical
10 productivity and had never gotten -- and if it never
11 got better?

12 A. I don't remember if we were in that
13 scenario. It would not have been in the range of
14 outcomes that we -- that we presented. It would have
15 been beyond that range.

16 Q. And it's fair to say -- if you remember,
17 is it fair to say that if you used those numbers that
18 the project's history showed they were achieving, the
19 project would never have been completed?

20 MR. CHALLY: Object to form.

21 BY MR. RICHARDSON:

22 Q. Would it?

23 A. It would not have completed -- be
24 completed in the range of outcomes that we evaluated
25 because the performance to date was much less than

1 that. I don't know that I would say never. By
2 definition, they would have finished, but --

3 Q. Decades later, right?

4 A. But it was not good performance to date.

5 Q. Yeah. Are you aware that it would have
6 taken decades to finish at the -- at the current
7 levels of productivity?

8 MR. CHALLY: Object to form.

9 THE WITNESS: I -- I don't know. I mean,
10 we -- I don't think we even ran a scenario that
11 said it never got -- got any better.

12 BY MR. RICHARDSON:

13 Q. And -- and in part, you wouldn't -- you
14 wouldn't run that scenario because it was obvious
15 they were so -- so bad that it -- that it was -- it
16 was not a feasible project in the money if you -- if
17 you stayed at that level?

18 MR. CHALLY: Object to form.

19 THE WITNESS: I mean, another reason you
20 would do that is because in the discussions with
21 the consortium, they had already put into place
22 a number of actions that they anticipated were
23 going to improve their performance. They just
24 could not show that.

25 So it certainly would have been very much

1 a worst case had -- had we used their to-date
2 performance. Their to-go performance we thought
3 was -- like I said, was not just optimistic. It
4 was installation at a level that we had not
5 experienced. So ultimately the balanced way to
6 look at the go-forward would be based on our
7 history.

8 BY MR. RICHARDSON:

9 Q. And Westinghouse's you said aggressive
10 assumptions about to-go productivity was unrealistic,
11 wasn't it?

12 MR. CHALLY: Object to form.

13 THE WITNESS: In our view, we had -- we
14 had not installed commodities at that rate in
15 our -- in the history of projects that we were
16 looking at in this assessment.

17 BY MR. RICHARDSON:

18 Q. And when you resource-loaded the level 2
19 schedule in the Bechtel schedule assessment, you
20 could tell that the assumption made by the consortium
21 on productivity to go forward was unrealistic?

22 MR. CHALLY: Object to form.

23 BY MR. RICHARDSON:

24 Q. Couldn't you?

25 A. It generated a percent complete earned per

1 month that we do not believe they could have ever
2 achieved. We had never achieved it, and we have
3 built more of these than Westinghouse or Fluor or
4 CB&I had ever built.

5 Q. Combined?

6 A. Nuclear power plants.

7 Q. Actually combined?

8 A. Right.

9 Q. What do you believe caused the abandonment
10 of this project?

11 MR. CHALLY: Object to form.

12 MR. GILMORE: Objection. Form.

13 Foundation.

14 THE WITNESS: I -- I don't know. I mean,
15 I read the papers, so -- beyond that, I -- it
16 would just be opinion. You know, I don't know.
17 I don't know why -- the exact reasons why
18 they -- I think only what they -- only what was
19 in the press.

20 BY MR. RICHARDSON:

21 Q. Having done the schedule -- having done
22 the assessment in 2015, were you surprised that the
23 project was abandoned?

24 A. Not because of the assessment, but because
25 what we saw in the months that we were there to try

1 and help turn around the nuclear island, I was not
2 surprised.

3 Q. And one of the things you saw was that not
4 only did the overly aggressive assumptions about
5 productivity not be realized, but productivity
6 actually continued to worsen on the project. Did you
7 see that?

8 A. From the time we did the assessment to the
9 time we started helping Westinghouse, in late
10 December, beginning of January 2017, they had seen
11 deterioration in productivity, which resulted in
12 deterioration in the schedule.

13 Q. Are there any claims related to Bechtel's
14 work at the site, any -- any claims made against
15 Bechtel --

16 A. No.

17 Q. -- or any of its work?

18 Were -- was Bechtel told to soften its
19 criticism in the report of SCE&G's project
20 management?

21 A. You know, as I said earlier, Steve Byrne,
22 you know, voiced his displeasure in the words we used
23 to describe SCANA's oversight of the consortium.

24 Q. But did anybody tell you all to change
25 the -- or soften the language in the report about the

2 | A. By their displeasure.

3 Q. Are you aware that the SCE&G's tried to
4 attack Bechtel's credibility in its report in this
5 case?

6	A. I read the papers.
---	-----------------------

7	Q. And does Bechtel stand by the quality of
8	the report and the schedule assessment it produced?

9	A. Yes, we do.
---	----------------

Response	Percentage
Yes, the current government is responsible	10%
No, the current government is not responsible	90%

[illegible]

REFERENCES

BY MR. RICHARDSON:

Q. Did you know about the 2015 EPC amendment

in the -- in the V.C. Summer project?

1 A. I'm not familiar -- it doesn't come to
2 mind. I -- I may have known about it, but it doesn't
3 come to mind.

4 Q. Were you all aware that there was an
5 amendment to the EPC contract that was essentially
6 completed, and even announced internally, prior to
7 the October 22nd presentation of your report?

8 A. Yes.

9 Q. And were -- did you all hear about that as
10 part of your assessment?

11 A. We were told about the amendment.

12 Q. And were you all part of the discussions
13 on negotiating that amendment, or . . .

14 A. No. We were not. It was not -- Bechtel
15 was not engaged in negotiating it, and we were not
16 asked to assess the change.

17 Q. Is it fair to say you all were shut out of
18 that negotiation process?

19 MR. CHALLY: Object to form.

20 THE WITNESS: We -- we were not engaged in
21 it. It was not part of our scope to engage in
22 that.

23 BY MR. RICHARDSON:

24 Q. And was it a surprise that that was done
25 essentially on top of the assessment before they knew

1 the results?

2 A. No, we -- we weren't surprised. We knew
3 it was brewing.

4 Q. Was it disappointing that they
5 renegotiated the entire EPC contract before hearing
6 the results of the assessment?

7 A. I don't know that it was disappointing.

8 Q. It seems to me it's putting the cart
9 before the horse, so I'm trying to understand what
10 you're willing to say about it, because, you know,
11 from the outside, it's -- looks pretty surprising.

12 MR. CHALLY: Object to the predicate.

13 MR. GILMORE: Objection. Form.

14 Foundation.

15 BY MR. RICHARDSON:

16 Q. How would you characterize the owners'
17 amendment of the EPC contract before they received
18 the results of the Bechtel assessment?

19 A. My opinion is that -- that the reason they
20 went forward with it is they saw it as solving some
21 of the conflict that they had already seen to date
22 within the consortium, and that entering into this
23 revised deal gave them some certainty and simplified
24 the -- simplified the deal, if you will. That's my
25 opinion.

1 Q. It's also simplified the response to the
2 conclusions and recommendations of the Bechtel
3 report, didn't it?

4 A. Yes, somewhat.

5 Q. It allowed --

6 A. Some of our -- some of our conclusions
7 were around that relationship. It was driven by the
8 way the deal was structured.

9 Q. Did you know about the fixed price option
10 at the time?

11 A. I don't remember exactly when we became
12 aware of it. In that timeline, so I -- I don't
13 remember, you know, when -- when we were made --

14 Q. But it wasn't -- but it wasn't one of your
15 recommendations?

16 A. No.

17 Q. And probably in part because you didn't
18 think you could have -- you could get that? Or -- or
19 you didn't think it was one that would be helpful?

20 MR. CHALLY: Object to form.

21 THE WITNESS: I mean, we -- we were
22 primarily looking at tactical solutions, I guess
23 is probably a way to -- to say it. We were --
24 they had -- you know, we -- we were focused on
25 the ground: What are the things that you can

1 change on the ground that would drive a
2 different outcome?

3 I mean, we made the change, and they still
4 canceled the project. You could form an opinion
5 whether or not it was a good idea or not.

6 BY MR. RICHARDSON:

7 Q. And you would say in your experience that
8 the sole fact that Westinghouse filed bankruptcy
9 could not be the sole reason the project was
10 abandoned?

11 MR. CHALLY: Object to form.

12 BY MR. RICHARDSON:

13 Q. Right?

14 A. I mean, I don't -- I don't know all the
15 reasons why it was abandoned. I -- I'd be
16 speculating, at best.

17 Q. One member of a consortium of a nuclear
18 construction plant filing bankruptcy by itself
19 wouldn't require that project to be abandoned, would
20 it?

21 MR. CHALLY: Object to form.

22 THE WITNESS: Georgia Power didn't abandon
23 Vogtle.

24 BY MR. RICHARDSON:

25 Q. It takes something more, right?

1 MR. CHALLY: Same objection.

2 THE WITNESS: There were probably a number
3 of factors. I -- I don't know. It would be a
4 speculation on my part why they chose to do it.

5 BY MR. RICHARDSON:

6 Q. Are you familiar with the Construction
7 Oversight Review Board at this project?

8 A. I seem to remember some discussions about
9 them -- them having one. I -- I don't remember that
10 we got engaged with them at all while we were there.
11 I don't remember if we did.

12 Q. Are you familiar with those, generally?

13 A. Yeah. Yeah.

14 Q. As a common --

15 A. Absolutely. There's one -- it's not
16 uncommon to have, you know, an independent
17 external -- we used to call them "the kitchen
18 cabinet," you know, come in and take a look at how
19 things are going.

20 Q. That's a more hands-off approach than an
21 owners' engineer, isn't it?

22 A. That's correct.

23 Q. And when you have a project like
24 V.C. Summer in the state it was at the time of the
25 assessment, Bechtel's recommendation was an owners'

1 engineer or something equivalent of that for project
2 management improvement; wasn't that right?

3 A. Yes, we recommended that they have a --
4 that their oversight organization be supplemented
5 with -- I use the word "practitioners"; people who
6 design, procure, build. Classically that's -- that's
7 done in an owners' engineer type of role.

8 Q. And you wouldn't expect practitioners like
9 you described to be in a Construction Oversight
10 Review Board?

11 MR. CHALLY: Object to form.

12 THE WITNESS: I've seen oversight boards
13 be a mix of industry people, construction
14 companies. I've -- I've seen different folks on
15 -- in roles like that, so I -- I don't know that
16 I would agree with that -- with that premise.

17 BY MR. RICHARDSON:

18 Q. It -- it depends on how you staff it?

19 A. Right.

20 Q. But it's still not as good as an owners'
21 engineer, when you're having significant problems
22 with construction?

23 MR. CHALLY: Object to form.

24 THE WITNESS: Owners' engineer is
25 day-to-day interface and engagement and, you

1 know, independent analysis. I mean, that's what
2 I think of when I think of a -- an owners'
3 engineer. You're not relying on just one set of
4 analyses. You're having somebody else who did
5 it, or does it, kind of do a parallel evaluation
6 so that you're getting, you know, the -- a
7 couple data points on -- on where the project is
8 and where it's going and -- and kind of in -- in
9 the real time.

10 BY MR. RICHARDSON:

11 Q. And a Construction Oversight Review Board
12 would -- would show up once a month, or -- or some --
13 periodically, just as -- receive reports and -- and
14 give another opinion about what they're being --
15 receiving?

16 A. I've seen them --

17 MR. CHALLY: Object to form.

18 THE WITNESS: I've seen them quarterly,
19 you know, bimonthly, those type of things, yeah.
20 It's not hands-on oversight, in my experience of
21 those type of boards.

22 BY MR. RICHARDSON:

23 Q. And based on the assessment of this
24 project in 2015, a Construction Oversight Review
25 Board wouldn't be sufficient to address all the

1 project management concerns that Bechtel had?

2 MR. CHALLY: Object to form.

3 BY MR. RICHARDSON:

4 Q. Would it?

5 A. I mean, in general, an oversight review
6 board would catch the tops of the waves, you know.
7 They have independence. They can take kind of an
8 outside view of what's going on. But it's just not
9 detailed, day to day, engaged with the work. So it's
10 a different -- it's a different level of engagement.

11 Q. And -- and based on where this project was
12 with the assessment done in 2015 by Bechtel, the
13 Construction Oversight Review Board wouldn't be
14 enough to solve the project management problems?

15 MR. CHALLY: Object to form.

16 BY MR. RICHARDSON:

17 Q. Would it?

18 A. Our recommendation was that they increase
19 their level of oversight, using an owners' engineer,
20 or some way to bolster up their oversight team.

21 Q. And so would you agree that it's -- if one
22 of the owners said, "We'll agree to a Construction
23 Oversight Review Board in return for flushing the
24 Bechtel report," that would be ignoring the
25 recommendations of Bechtel, wouldn't it?

1 MR. CHALLY: Object to form.

2 THE WITNESS: It would not be implementing
3 the recommendation that we had around oversight,
4 that particular one that we're talking about.

5 BY MR. RICHARDSON:

6 Q. I have another exhibit. And it's not the
7 best way to approach it for a deposition, but it's --
8 it's a comprehensive exhibit for Gary Jones. You
9 know Gary Jones?

10 A. Gary Jones? Doesn't come quickly to mind,
11 but . . .

12 Q. Doesn't matter. He's a witness in this
13 case, in the Public Service Commission. And as part
14 of his testimony, he provided essentially a stack of
15 documents. And some of those are here in this -- in
16 this exhibit.

17 And I put a tab where each of the new ones
18 starts. So when we -- I'll refer to one, you just
19 have to flip through and find it. Okay?

20 A. Okay.

21 MR. RICHARDSON: This will be Exhibit 2.
22 (Exhibit 2 was marked for identification.)

23 MR. RICHARDSON: We're going to reference
24 these. They're prefiled exhibits, so you're not
25 going to be lost. I'm sorry, I don't have more

1 copies.

2 MR. GILMORE: This is exhibit -- which
3 number? 2?

4 MR. RICHARDSON: This is Exhibit 2.

5 BY MR. RICHARDSON:

6 Q. Exhibit 218B is a 2014 SCE&G estimate at
7 completion analysis and cost changes, and done at end
8 of 2014. Do you know if Bechtel ever received that?

9 A. I don't -- I don't remember that we --
10 whether we did or not. Don't remember it
11 specifically.

12 Q. If you would turn to 2.20. If you don't
13 mind, I can show you. So this would be the number.
14 So if you wanted to, you could flip like this
15 (indicating), and you'll see that's 24, and you can
16 flip back.

17 A. Okay. I see -- I see that format. Thank
18 you.

19 Q. Down at the bottom will be 2.20.

20 A. I'm on 2.20.

21 Q. All right. This is ORS Exhibit GCJ, Gary
22 Jones 2.20. It's a 32-page document. And it's a --
23 it's an e-mail from Craig Albert, who we've talked
24 about already. You directly reported to him?

25 A. My boss, yeah.

1 Q. And you're copied on this e-mail.

2 A. Yes.

3 Q. Do you remember being copied on this
4 e-mail?

5 A. Let me look at the attachment.

6 Q. Yeah.

7 A. Yes. Yes, I remember the document.

8 Q. And do you -- is this the draft proposal
9 that you all provided to the owners after initial
10 discussions?

11 MR. CHALLY: Object to form.

12 THE WITNESS: This looks like the draft
13 provided directly after the first meeting that
14 Craig held with Santee Cooper.

15 BY MR. RICHARDSON:

16 Q. All right. So just like you did with the
17 assessment report, you were providing a draft prior
18 to sending the final, and this is the e-mail that's
19 talking about that.

20 One is -- there's a draft e-mail too. It
21 says, "This is a draft e-mail I want to send
22 accompanying the formal proposal," right?

23 A. That's correct.

24 Q. And -- and it -- and it references the
25 meeting with Craig, Mike Adams, and the Santee Cooper

1 folks, Lonnie Carter and Michael Crosby, on
2 January 24th? Is that right?

3 A. Yes.

4 Q. And if you don't mind glancing back
5 through, would you just make sure that that -- that's
6 the draft proposal that you all were wanting to send
7 to the owners for this project?

8 MR. CHALLY: Object to form.

9 THE WITNESS: Yes, it does look like the
10 -- it looks like it's the full document.

11 BY MR. RICHARDSON:

12 Q. And that's -- I mean, that's typical of a
13 proposal you all would make, that -- that goes
14 through the scope and -- and your experience and who
15 the team members would be, right?

16 A. Yeah. I mean, this is, you know, a
17 study-level proposal. So it's -- I mean, it is what
18 it says. I mean, you can see you're talking about a
19 small team coming in and taking a look at these key
20 areas, showing the experience we have doing very
21 similar work, as well as the representative members
22 that you would use on the -- on the team.

23 Q. All right. And this is the kind of, you
24 know, record or -- or memorandum that you would --
25 you would provide about your all's work to the client

1 in the regular course of business?

2 A. Yeah.

3 Q. And routinely?

4 A. To do a study. I mean, this is -- it
5 would typically be simple, maybe a 20- to 30-page
6 document that says, "Here's" -- you know, "Here's the
7 scope of the study. Here's how we would do it.
8 Here's relevant work, and here's the people we would
9 do it with."

10 Q. And it's the regular practice by which you
11 all, you know, seek and -- and are hired to do work
12 for assessments like this?

13 A. Yeah. Sometimes they're unsolicited.
14 Sometimes -- you know, in this case they asked to
15 meet with us, and -- and were interested in us --
16 could we perform this type of an evaluation.

17 Q. And you all -- not only do you provide it
18 to a client, but you all keep this in the ordinary
19 course of your all's business?

20 A. That's correct.

21 Q. Would you turn to ORS Exhibit GCJ 2.24.
22 You see this is --

23 A. This one starts out with a Michael Crosby,
24 CJ 2.24, page 1 of 4?

25 Q. That's right.

1 A. Okay. I'm there.

2 Q. Yeah. And you see it's an e-mail from
3 Michael Crosby to Steve Byrne, and copying Jeff
4 Archie and Marion Cherry. And it's about
5 productivity factors; essentially direct craft
6 productivity, indirect to direct craft labor ratios,
7 field nonmanual to direct craft ratio -- ratios, and
8 then a percent completion.

9 You see those, listing at the top?

10 A. Yeah, I see it.

11 Q. Okay. Is this something -- and then I --
12 what I really want you to do is -- is to flip the
13 page and -- and look at the charts.

14 So page 2 is a chart that -- that tracks
15 actual ratios, performance factors, and then it has
16 a -- at least on the first one, for direct craft
17 productivity, he's got a cumulative actual.

18 Do you know if you all received this
19 information from SCE&G?

20 A. I don't know if we received it from SCE&G.
21 But we did get man-hour reports from the consortium
22 that would have given us the data that allowed us to
23 analyze the performance -- not in dollars, but in
24 man-hours. These productivity factors are generally
25 in man-hours. It looks like they overlaid a dollar

1 value on these, but in general, they're talked about
2 in a -- in a factor over a -- to man-hours.

3 So -- so I don't know that we got this
4 exact report, but we certainly got the underlying
5 data from the consortium as part of inputs into our
6 evaluation.

7 Q. And we've talked about those already?

8 A. Yeah.

9 Q. And would you turn to page 3? It's the
10 percent complete direct craft work.

11 A. I'm on page 3 of 4, yes.

12 Q. And -- and is that a proxy for the
13 percentage completion of construction?

14 MR. CHALLY: Object to form.

15 THE WITNESS: Looks like they're comparing
16 the to-date performance and what that would look
17 like going forward and could be required to meet
18 the construction completion of June 2019.

19 BY MR. RICHARDSON:

20 Q. Right. But just on the first instance,
21 this -- this is one way to look at what the
22 percentage completion of construction is, right?

23 A. Uh-huh.

24 Q. And you can see the -- the solid line, the
25 little squiggly is cumulative percent complete. And

1 then, at January 2015 is apparently when this was
2 produced, because then it has projections, right, two
3 projections?

4 A. Yes, sir.

5 Q. And one is the linear extrapolation of
6 actual progress, and the other is what the angle
7 would need to be to complete by 100 percent by the
8 substantial completion date, right?

9 A. Yes, sir, that's what it shows.

10 Q. And what -- and what does this chart tell
11 you?

12 MR. CHALLY: Object to form.

13 THE WITNESS: That that required to
14 achieve the June 2019 looks like a pretty steep
15 curve. We -- we took the raw data provided to
16 us by the consortium and generated a similar set
17 of data.

18 BY MR. RICHARDSON:

19 Q. And -- and that's the type of data that
20 you would rely on in doing a -- a schedule assessment
21 and -- that's normally relied on by experts in this
22 area?

23 MR. CHALLY: Object to form.

24 THE WITNESS: Actually, as -- as we talked
25 about earlier, we did not use either of these

1 data sets because we believe that using a linear
2 extrapolation of their progress to date was
3 probably overly conservative, because they were
4 beginning to implement some -- some changes that
5 should have improved their performance. And
6 that the -- their performance that they were
7 projecting going forward was not achievable.

8 BY MR. RICHARDSON:

9 Q. Right.

10 A. Which is why we -- both of those data sets
11 is why we used our own historical data, which kind of
12 stabbed a line kind of in between these two.

13 Q. Right. Turn to the next page, the fourth
14 page.

15 Have you seen one of these S-curve total
16 target costs before? Have you seen one of these
17 charts before?

18 A. Yeah, I've seen S-curves before.

19 Q. And -- and this one is -- is essentially,
20 if you took -- look at the top left, it's using labor
21 productivity and ratio inputs?

22 A. Yeah, it looks like indirects to direct
23 ratios, and field nonmanual to direct craft ratios,
24 they're using to plot these different scenarios.

25 Q. Yeah. And -- and do you see that the

1 "Entitlement" down there, those numbers are -- let's
2 just say are -- are contract numbers.

3 "Estimate at Completion," we know -- you
4 may not, but that's Westinghouse provided in August
5 of 2014. And then you can see two other scenarios
6 are run, but in the -- but in the box, there's a --
7 there's a September '14 to January '15 average. Do
8 you see that?

9 A. Yes, I see that, in the first line of
10 the --

11 Q. Right. And --

12 A. -- table.

13 Q. -- do you know if -- if that is -- you
14 recognize those as -- as project actuals for that
15 time period? It's during the -- it's during the time
16 of the -- it's before the time of the assessment.

17 A. I mean, that looks very close to what --
18 what we came up with as their actuals to date. The
19 indirect to direct ratio I recognize. I don't
20 remember the field nonmanual ratio, but that does not
21 surprise me.

22 Q. And a -- a total target cost curve for --
23 for that particular data would -- would literally be
24 off the chart. Can you tell that?

25 MR. CHALLY: Object to form.

1 THE WITNESS: Yeah, obviously, if you kept
2 at those ratios, the cost would be significant.

3 BY MR. RICHARDSON:

4 Q. And did you all do any of that type of
5 total cost analysis in the assessment?

6 A. Again, what we did, we did -- we did not
7 do cost analysis. We stuck at man-hours, because --
8 because of confidentiality between -- within the
9 consortium and the way the contract was between the
10 consortium and the owners, we were not provided any
11 cost data, any dollars. So all of our analysis was
12 in man-hours. Obviously it's a simple math problem
13 beyond that, but -- so our focus was on -- was on
14 man-hours, but it would drive curves like this.

15 We did not do a worst-case scenario
16 analysis, because what the customer wanted us was to
17 understand what could be done and what could be
18 achieved. Again, it's what drove us to -- in our
19 go-forward, looking at our experience in nonmanual to
20 manual ratios, indirect ratios, and we made
21 recommendations to -- to SCANA and to Santee Cooper
22 on things that could be done to improve their
23 indirect to direct ratios, improve these very things,
24 their performance, the -- and the ratios.

25 So, again, our analysis done in man-hours,

1 not in dollars. We did not project dollars.

2 Q. In part you didn't project dollars because
3 they wouldn't give you their actual cost numbers,
4 right?

5 A. Right.

6 Q. Okay. And you -- and you referenced a
7 worst-case scenario. But the one we're talking about
8 on the top line there isn't -- isn't a worst-case
9 scenario; it's the actual scenario. Isn't it?

10 MR. CHALLY: Object to form.

11 THE WITNESS: It is a possible outcome,
12 but it -- the --

13 BY MR. RICHARDSON:

14 Q. Well, the project between September 14th
15 and January 15th, that's the actual scenario for the
16 project, isn't it?

17 MR. CHALLY: Object to form.

18 THE WITNESS: Yeah, you could call it --
19 you could call it that.

20 BY MR. RICHARDSON:

21 Q. Is there anything else to call it?

22 MR. CHALLY: Object to form.

23 THE WITNESS: I --

24 BY MR. RICHARDSON:

25 Q. There's not, is there?

1 A. I mean, you could run -- you could run a
2 number of different scenarios, right.

3 Q. But if you wanted to run actual between
4 September 14th and January 15th for the project, that
5 would be it?

6 A. That is the base --

7 MR. CHALLY: Object to form.

8 THE WITNESS: That is certainly based on
9 the actual performance during that period.

10 BY MR. RICHARDSON:

11 Q. Okay. Would you please turn to ORS
12 Exhibit GCJ 2.368.

13 A. I'm already at 2.37. Did I miss --

14 Q. Oh, I'm -- I'm told that it might be
15 at 2.24. Right before 2.24. Is that right? Copying
16 issue.

17 A. Are they maybe not in order? This one's
18 2.36.

19 Q. Yeah, that's it.

20 A. This one here?

21 Q. That's right. You see the date of this
22 memo from Lonnie Carter and his board of directors is
23 October 21, 2015?

24 A. I see it.

25 Q. And you see the first sentence in the very

1 last paragraph that -- "Attached to this letter are
2 the documents that comprise the new agreement"?

3 A. I see the sentence.

4 Q. Yeah. And you see in the -- in the middle
5 paragraph, the third paragraph down and the third
6 paragraph up, the first sentence says, "We've now
7 reached the point where the die is cast."

8 And it goes on to say, "We worked the best
9 deal possible," and -- but the next -- the last
10 sentence in that paragraph is, "We now have the
11 benefit of an additional year to assess the project's
12 progress."

13 Do you -- do you believe that the
14 project's progress had already been assessed at that
15 point?

16 MR. CHALLY: Object to the form.

17 THE WITNESS: I don't know. I've -- I've
18 never seen this document before, and I'm -- I'm
19 not sure what Santee Cooper's done, from an
20 assessment standpoint, other than -- I know
21 about our assessment, obviously.

22 BY MR. RICHARDSON:

23 Q. Yeah. If you'll turn to 2.37.

24 A. I am at 2.37, page 1 of 23 -- 1 of 31, I'm
25 sorry. 1 of 31.

1 Q. And is this -- if you don't mind just
2 looking through it, can you confirm that this is the
3 October 22nd presentation to SCE&G and Santee Cooper
4 by Bechtel?

5 A. I thought the final version was not marked
6 draft, but certainly this looks -- looks like the
7 same PowerPoint. It is -- it is marked "Draft," but
8 it appears to be the -- the same material.

9 Q. Okay. And you see on page 2, at the
10 bottom there's an offset for project controls that
11 specifically says, "Schedule Assessment"?

12 A. Yes, sir.

13 Q. No question that you all were giving a
14 schedule assessment, is it?

15 A. No question.

16 Q. And in this initial presentation, you all
17 provide the schedule assessment preliminary results
18 on page 24?

19 A. Yes, sir. Page 24 is the preliminary
20 results for the schedule assessment.

21 Q. Can you just tell us, in the second bullet
22 point, what "critical path" means?

23 A. So the critical path is the path through
24 the schedule that drives the finish date. So that
25 would be the no-float path to finish.

1 Q. Probably the reason why it's called
2 "critical," right?

3 A. That's correct. It means it has no float.

4 Q. And tell us what -- what you mean when you
5 say "no float."

6 A. In a -- in a schedule logic network,
7 there -- you know, inherent in the sequence of the
8 work is different levels of float on different paths
9 of the design, procurement, and construction.

10 Those all are tied at the back end, so
11 that you can understand what the driver in a
12 particular network is. The critical path is that
13 path which has zero float, so it is end-to-end
14 activities from the point you are in the schedule
15 today to the earliest point that you're going to
16 complete. So that would tell you that the zero path,
17 the zero float path through that network is the
18 critical path.

19 Q. Until you -- an example would be until you
20 construct the module, it can't be installed?

21 A. That's right. That's -- that's the logic.
22 That's a -- that's a logic path. But what we're
23 speaking of here is the critical path, so there's
24 lots of things to be installed --

25 Q. Give us an example.

1 A. -- but there's one path that's going to
2 drive the completion of the project. That is the
3 critical path.

4 Q. And what is the near critical paths?

5 A. So near critical paths, we typically look
6 at -- at paths that are -- that can either be through
7 specific facilities in a -- in a project like this,
8 or that are just adjacent to the critical path so
9 they have some float. So they would be at risk to
10 jumping onto the critical path if you had something
11 that didn't go right in that path, and would absorb
12 the float. So you would consider those near critical
13 paths.

14 Q. So is it fair to characterize the critical
15 path as something that cannot move without
16 jeopardizing the end completion date?

17 MR. CHALLY: Object to form.

18 THE WITNESS: The critical path is a
19 sequence or path that goes through the network.

20 BY MR. RICHARDSON:

21 Q. Okay.

22 A. You can in some cases affect that by
23 working things -- more shifts, adding more people on
24 it, have things assembled out of place and then
25 brought in as a -- as a module or assembled

1 component.

2 So -- so you often can recover critical
3 path through actions like that; accelerating design
4 outputs, those types of things. But in general, it
5 is the hard path through -- there's -- there's no
6 cushion to take up, you know, there's no float on
7 that path.

8 Q. Can you describe for us the schedule
9 confidence, and particularly why you wanted to try
10 and get to 75 percent.

11 A. So -- so one of the things we look at,
12 we're assessing, is we look at, you know, schedule
13 confidence. So a 75 percent confidence is a -- is a
14 pretty strong confidence. In general, you -- you run
15 your -- your early finish at a 50-50, at about a P50.
16 But then you raise -- you typically do some analysis
17 at a higher percent probability to -- to better
18 bound, you know, the back end of the schedule.

19 So in general, as you increase probability
20 in schedule analyses, it is -- it is doing a -- a
21 Monte Carlo analysis on -- on the schedule; you know,
22 things going right and wrong, 100, 1,000, 10,000
23 times, depending on how you have the machine set.

24 And by raising the confidence, it is --
25 generally is going to push out the schedule, because

1 it's -- it's trying to achieve a higher probability
2 in the Monte Carlo analysis, so it's going to -- in
3 order to hit more completions at that date in the
4 Monte Carlo analysis, it generally pushes -- you
5 know, pushes everything out --

6 Q. Okay.

7 A. -- to achieve completion.

8 Q. And can you describe briefly for us the
9 stagger between the two units, and why it needed to
10 be extended?

11 A. Okay. The stagger between the two units
12 is how many months between -- stagger can be looked
13 at a couple different ways. We tend to look at it as
14 -- a few ways.

15 One is from a resource-leveling
16 standpoint. So too much overlap, and it creates
17 logistical problems managing the site. Too much --
18 too little overlap, and it creates gaps in resources,
19 where you have too much of a hire-and-fire, can
20 create two peaks.

21 So we try and overlap those peaks. Once
22 we've done it for construction, we then look at
23 startup. We say, "Okay, as you're starting up
24 systems, what's the optimal overlap when you're --
25 when you're looking from a startup and commissioning

1 standpoint?"

2 And the -- in general, 12 months on these
3 plants, historically, has proven to be a pretty --
4 pretty close stagger. So from 12 to 18 months, when
5 you look at the commercial operation date is what you
6 tend to end up with as an outcome.

7 In this case, what we're describing here
8 is that -- that when we ran through the analysis, the
9 stagger between the units extended out six months.
10 So when you looked at all the different inputs into
11 the stagger analysis, the result was a push from
12 12 to 18.

13 Q. And that practically means that for this
14 project, it should have been on the outer range of
15 likely stagger between two units being constructed at
16 the same time, rather than on the -- on the lower
17 range, because of the factors of this project?

18 MR. CHALLY: Objection.

19 THE WITNESS: Yeah, when -- when you look
20 at the logic, the system turnover logic and
21 the -- and the resource curves, look at all
22 those factors, it gave you -- we -- we do an
23 overlap analysis. It's actually a -- I believe
24 there's a -- you know, a piece that talks about
25 it in detail in the schedule --

1 BY MR. RICHARDSON:

2 Q. Uh-huh.

3 A. -- analysis. I think there's actually a
4 cartoon that kind of -- not a cartoon -- a chart that
5 kind of displays this analysis. Shouldn't use the
6 word "cartoon." It's a chart that displays the
7 analysis to kind of show you how you - what you
8 analyze for, what the different potential outcomes
9 for are, and how you analyze for stagger, on
10 multitrain -- this analysis is common not just on
11 multiunit power plants, but multitrain L&G, you know,
12 different, any kind of process plant where you have
13 multiple trains and you're trying to optimize the
14 overlap of those trains.

15 Q. And how about the -- describe very briefly
16 for us this peak monthly construction percent
17 completion.

18 A. So this was -- this, we drove down, based
19 on our historical experience. The -- the percent
20 complete that we saw in some of the analysis from the
21 consortium was extremely aggressive in -- in percent
22 complete.

23 And this is -- this is measuring percent
24 complete by month at peak. And -- and our experience
25 has shown that -- that you can't achieve those high

1 numbers and sustain them. You may get them in a
2 period, but to be able to sustain those kind of
3 percentages on a plant this complex, we had not seen
4 it.

5 So our experience is down more in
6 the 2, you know, down in the 2 to 2 and a half
7 percent range. And this was pushing over 3. So we
8 reduced that range.

9 This is -- some of these are outcomes.
10 Some of these are inputs, that are described here.

11 Q. Yeah. Thank you for that.

12 I want to -- you to turn to 2.40. It's
13 the November 9th Project Assessment Report draft.
14 And just have you look at that and see if you agree
15 that that is the report compiled by --

16 A. Would they maybe be out of sequence? Mine
17 goes right to the February. Or is it maybe back
18 farther?

19 Q. Could be.

20 MR. GILMORE: Yeah. I think it is.

21 THE WITNESS: February 5th; do you see it?
22 Where is it?

23 MR. GILMORE: Yeah, it's back a little
24 deep. It's past the --

25 THE WITNESS: Oh, here we go. I see it.

1 MR. GILMORE: Yeah. There you go.

2 THE WITNESS: 2.4. I'm there.

3 BY MR. RICHARDSON:

4 Q. Is that the report compiled -- draft
5 report compiled by Bechtel in its ordinary course of
6 business and provided to the client?

7 MR. CHALLY: Object to form.

8 BY MR. RICHARDSON:

9 Q. In or around November 9th, 2015?

10 MR. CHALLY: Same objection.

11 THE WITNESS: To me, this looks like the
12 draft.

13 BY MR. RICHARDSON:

14 Q. And that reports the -- you know, the
15 assessment and made of the -- the project and the
16 conclusions that are the result of that assessment by
17 Bechtel in the course of its work for, you know, this
18 project?

19 MR. GILMORE: Objection. Form.

20 THE WITNESS: This is the draft at that
21 time in the process, so . . .

22 BY MR. RICHARDSON:

23 Q. If you can find 2.41.

24 A. I'm at it.

25 Q. Would be the same thing. That's the

1 November 12th draft of the Project Assessment Report
2 provided to the client, showing the assessment,
3 conclusions and work and recommendations in the
4 ordinary course of business by Bechtel --

5 MR. CHALLY: Same objection.

6 BY MR. RICHARDSON:

7 Q. -- to make the report for the client --

8 MR. CHALLY: Object to form.

9 BY MR. RICHARDSON:

10 Q. -- on November 12th, 2015?

11 A. This looks like the report that was
12 peer-reviewed and complete internal that we would
13 have sent as a draft to the customer. So, draft to
14 the customer, but really final to us at this point.
15 I think November 12th was right about the time that I
16 had completed the peer review, and this got sent to
17 the customer as the final -- I mean, still a draft to
18 them, final to us.

19 I think, actually, when we sent it over,
20 we said, "This is ready to transmit. So, short of --
21 short of any comments from you, we're done."

22 I think this is that -- looks -- it
23 appears to be that version, looking at that executive
24 summary and some of the other sections.

25 Q. All right. And if you'll turn to 2.46.

1 A. That must be out of sequence for me.

2 Yeah.

3 Q. Is that the Project Assessment Report
4 final, dated February 5th, 2016, and provided -- this
5 particular version is number 1, assigned to Lonnie
6 Carter on the top right?

7 A. This does look like a final version.
8 February 5th would be the date on the final.

9 Q. And right behind that should be 2.46A?

10 A. It is not behind for me, but I did see it
11 in here somewhere.

12 Q. Apologize. I'm not seeing the --

13 A. Here's A. A is up here. That's the
14 Schedule Assessment Report. I'm on it.

15 Q. And is that the final that was also sent
16 to the client on February the 5th, 2016?

17 MR. CHALLY: Object to form.

18 THE WITNESS: They were sent on the same
19 transmittal, and that's the date. This does
20 look like the final version, obviously.

21 BY MR. RICHARDSON:

22 Q. And are these the --

23 A. Brief look, but yes.

24 Q. Thank you. And are these the final
25 reports of the business assessment done by Bechtel

1 for the client, and kept in the ordinary course of
2 business, and routinely done in this type of work for
3 clients by Bechtel?

4 A. Forty -- 2.46 and 2.46A appear to be the
5 final reports, yes.

6 Q. And this is -- this is the type of reports
7 that you do for clients in this type of work, and --
8 and this is the way you report it, and now you keep
9 this as part of the business records and providing it
10 to the clients, right?

11 A. That's correct.

12 Q. If you don't mind, let me -- let me ask
13 you to turn to 2.42. And then we'll take a little
14 break.

15 A. 2.42? What is the subject? Maybe that
16 will help better, because these --

17 Q. It's a telephone conference.

18 A. These aren't necessarily in order. Where
19 is it in your stack? I'm struggling to find -- find
20 it here. I'm sorry.

21 Q. No, that's all right. I didn't know you
22 had that on your arm.

23 A. That's okay. You should see the --

24 Q. If you hand it to me --

25 A. You should see the other guy.

1 It wasn't quite in order. That's why I
2 couldn't find it.

3 THE WITNESS: Find it in yours, Rob?

4 MR. GILMORE: Not yet.

5 2.42, Matt? Is that what you said?

6 MR. RICHARDSON: That's right.

7 MR. GILMORE: Thank you.

8 BY MR. RICHARDSON:

9 Q. Let me ask you -- you talked about a
10 telephone call right before the final report was
11 issued on -- and that it was on February the 4th,
12 2016, at 11:30 a.m., according to notes by
13 Mr. Crosby. Do you remember that call?

14 A. Yes, I think we -- we described the call a
15 little bit earlier, yeah.

16 Q. Yeah. And it talks about how Mr. Wenick
17 had sent that heavily redacted markup, requesting the
18 schedule and other information, being removed, and
19 we've talked about that already.

20 But it then goes on to say that Mr. Wenick
21 and Bechtel had gone back and forth for a while and
22 no real progress was made. Do you remember that
23 happening? I mean, negotiating, for lack of a better
24 word, for the -- about the report?

25 A. Yeah, we talked about a little bit

1 earlier. I mean, I -- I wouldn't redact that part of
2 the report, so -- we had taken a stance that it
3 needed, you know, needed to be part of the report,
4 because it was the -- I use the words the context and
5 the fabric, kind of the foundation for the rest of
6 the assessment, which is, I think, me taking that
7 position is what kind of caused the back-and-forth
8 over that period.

9 So yes, there was quite a period of time
10 where there was no progress on a path forward.

11 Q. And did you all talk -- do you remember
12 talking in that conversation about Mr. Wenick having
13 rejected the alternative report?

14 A. I -- there really wasn't an alternative
15 report. I -- I don't have that in front of me, but I
16 think Michael has a couple things mixed up in his --
17 in his notes from our conversation.

18 Michael called me. He said, "What's going
19 on? We don't have the report yet."

20 And I said, "Well, here's what's
21 happening, Michael. Let me -- let me walk you
22 through what happened."

23 And I kind of walked him through a -- a
24 kind of a chronology of what happened. And I think
25 in his note there -- if I could look at it, it might

1 help me.

2 MR. GILMORE: Here, here's a copy.

3 THE WITNESS: Did you find it? He found
4 one here. Here you go.

5 Here, where he says "alternate report,"
6 there really was not an alternate report. There
7 was discussion about content that we could --
8 that they wouldn't agree on. So that's a little
9 bit of an error in his notes.

10 BY MR. RICHARDSON:

11 Q. In the way that he described it?

12 A. Yeah, just the way he's describing it. I
13 mean, there were -- there was back-and-forth between,
14 you know, between Martyn and Wenick, and I think I
15 was probably describing that back-and-forth, and this
16 is how he wrote the note.

17 Q. And you can -- you can see he kind of goes
18 through the chronology that we've already talked
19 about?

20 A. Yeah.

21 Q. Which is around the second week, you
22 talked to Steve Byrne and, you know, you reported to
23 us and to him, apparently, that Byrne's feelings have
24 been hurt and they're too rough on him?

25 A. These are his words, but I mean, even I

1 said that earlier to you that he was, you know --

2 Q. Right.

3 A. -- upset about the word -- the way we
4 described SCANA's oversight.

5 Q. And you know, even talks about how, you
6 know, at the end of your all's call with Byrne, he --
7 he says it was decided that the 22nd presentation
8 would serve as the final report. Do you remember
9 that being the case?

10 A. Yeah, that's I think maybe a slight error
11 in his words here. I -- you know, Steve did suggest
12 that that might be the final work product. There was
13 not an agreement.

14 So -- so that's a little bit -- this was a
15 little bit off. It was really not decided. We did
16 not agree to -- to only have the PowerPoint be the
17 presentation.

18 But I probably -- in this chronology of
19 things, I probably did bring up to Michael that Byrne
20 said, "Hey, we might just call this presentation
21 done."

22 But there was not an agreement, so that
23 the -- the notes are a little bit -- little bit off.
24 But it does -- there was that phone call, and it is
25 in this chronology, so -- but -- but it didn't

1 exactly have that -- there wasn't a decision:
2 "PowerPoint's done. We're calling it finished,"
3 because that actually didn't happen. It didn't -- we
4 didn't call it finished. We didn't agree to it.

5 Q. Didn't happen that way, but do you
6 remember a point in time in which that is the
7 direction that George Wenick gave to Bechtel, that --
8 that "We may not want anything more than the
9 presentation you've already given us"?

10 A. I don't remember George saying it. What
11 I'm recalling here is a conversation that Steve and I
12 had.

13 Q. And you look at the last bullet point
14 there, that around the 15th, there was a discussion
15 about Wenick informing Bechtel that he wanted the --
16 a piece must be removed, and -- and the negative
17 words must be softened. Do you remember being part
18 of the . . .

19 A. That was absolutely part of the
20 discussion.

21 Q. And then the follow-up, which is you all
22 said, "We're not going to allow that. We don't
23 agree, but we'll submit two reports."

24 And then it concludes this statement:
25 "Knowing George will discard the schedule report."

1 Is that --

2 A. Again, I -- I did not say that. I think
3 that's, you know, kind of Michael listing his opinion
4 in the notes.

5 I just -- I absolutely did tell him we did
6 not agree to pull the schedule piece, but then
7 ultimately agreed to two separate reports and then a
8 single submittal.

9 Q. Okay.

10 A. I don't remember saying that at all. So I
11 -- again, a couple of these are "Michael" comments
12 mixed in with the -- the conversation. But we did
13 ultimately send them to George I think the next day.

14 MR. RICHARDSON: Okay. You all want to
15 take a break for lunch? Let me --

16 MR. GILMORE: Sure.

17 MR. RICHARDSON: -- try and streamline.

18 Thank you very much.

19 VIDEOGRAPHER: We're going off the record
20 at 1:40.

21 (A luncheon recess transpired
22 from 1:40 p.m. until 2:26 p.m.)

23 VIDEOGRAPHER: We are back on the record
24 at 2:46 -- 2:26. Sorry.

25

1 BY MR. RICHARDSON:

2 Q. Mr. Troutman, I want to hand you page 9 of
3 ORS Exhibit GCJ 2.56. You can see that it's some
4 notes, but I'm -- I want to focus you on the largest
5 set, of March the 7th -- this is actually in 2016 --
6 and -- and point out that this is talking about Jason
7 Moore. Do you know Jason Moore?

8 A. Yes, I do. He works for me.

9 Q. He works for you. And they were talking
10 about getting him to assist with the development of
11 an appropriate construction milestone payment
12 schedule -- we've talked about this already, but the
13 third bullet -- sub-bullet point down, it talks -- it
14 says, "Jeff Archie first attempted to hire Jason
15 Moore under the table to avoid the appearance that
16 Bechtel was involved in the project."

17 Do you remember that?

18 A. Yes, I do.

19 Q. Did that really tick you and Craig Albert
20 off?

21 A. It ticked me off. I can't speak for
22 Mr. Albert, but I don't think he was happy.

23 Q. In any event, they didn't get hired,
24 right?

25 A. That's correct.

1 Q. And if you go under the fifth bullet --
2 sub-bullet point under March, it says "At some point
3 in April"? The -- the next one down, do you -- do
4 you remember that SCANA was never fully supportive of
5 the Bechtel assessment?

6 MR. CHALLY: Object to form.

7 I'm sorry to interrupt, but what -- what
8 exhibit are we on? I don't -- I didn't
9 follow --

10 MR. RICHARDSON: GCJ 2.56, page 9.

11 MR. CHALLY: 2.56. Okay. Thank you.

12 MR. GILMORE: It's hopefully out of order.

13 BY MR. RICHARDSON:

14 Q. And you see there's a note there that says
15 SCANA was never fully supportive of the effort. If
16 that -- did you know that was Santee Cooper's view?

17 MR. CHALLY: Object to form.

18 THE WITNESS: Some folks in Santee Cooper
19 had shared with me that they didn't believe
20 SCANA ever really got on board, even though
21 ultimately they did sign the contract with us.

22 BY MR. RICHARDSON:

23 Q. Now, the next sub-bullet point, "Per Ty
24 Troutman," is the one that -- that to me is -- is
25 important.

1 Did you tell Mr. Crosby or somebody there
2 that -- that you were willing to consult, out of
3 respect to Santee Cooper, there was a -- that that
4 was the reason you all were willing to come back on
5 and try and help on this project?

6 A. I don't remember these exact words, but
7 I -- I probably did tell -- did tell Michael that --
8 because we are not typically in the consulting
9 business. But we did get a request from Lonnie and
10 Santee Cooper, and ultimately that was why we ended
11 up agreeing to do the work. So maybe -- these
12 weren't my exact words, but the gist is there.

13 Q. I'm going to hand you -- if you'll give
14 that back to me. If you'll give that back to me,
15 Mr. Troutman.

16 A. Oh, here. I'm sorry. I was reading the
17 rest of it. I've never seen that.

18 Q. Probably interesting, but I'm going to
19 hand you the next exhibit, ORS Exhibit GCJ 11. This
20 is page 1. A little bit hard to read. It was a
21 handout, and somebody was making notes on it.

22 Do you recognize the handwriting?

23 A. No.

24 Q. Have you ever seen Steve Byrne's
25 handwriting?

1 A. Yes, I have, but --

2 Q. Does this look like it?

3 A. -- not often enough to -- to be able to
4 spot it.

5 MR. GILMORE: What's the number on that,
6 counsel?

7 MR. RICHARDSON: GCJ 11. Page 1.

8 BY MR. RICHARDSON:

9 Q. So at the top, there's a date, April 7th,
10 2015. In the middle of the prewritten --
11 typewritten . . .

12 A. I see a handwritten -- "4-7-15."

13 Q. Okay. And below that, the next writing
14 below that is "Bechtel meeting," with some initials.
15 Kevin March, Steve Byrne, Mike Crosby, and Marty.

16 A. I see it.

17 Q. And then to the right of that it has the
18 three guys from Bechtel that started early in 2015,
19 these discussions: Mike Davis, Craig Albert, and
20 Carl Rau. Right?

21 A. It says "Mike Adams."

22 Q. Mike Adams, okay. Yeah, I see "Mike
23 Adams." And if you see, the -- the initials are then
24 used to kind of -- down -- down the left side, who's
25 talking. Then the second speaker is CA. Is that --

1 that would have to be Craig Albert, with those
2 attendees.

3 And on the second line, he says, after the
4 dash: "You need success of V.C.S. and Vogtle for
5 more nuclear work in the U.S." Do you see that?

6 A. Yes, I do.

7 Q. And is that consistent, not only with what
8 you already told us, but what you understood was part
9 of the motivation for Bechtel getting involved in
10 this project?

11 A. Yeah, that helped make our decision,
12 because of our work with Nextera on Turkey Point 6
13 and 7, and with Georgia Power on Stewart County.

14 Q. And -- and did you know that Craig Albert
15 had told Steve Byrne and Kevin Marsh and Santee
16 Cooper folks that -- that this was -- told them this
17 in April of 2015?

18 A. I had not seen this document before, but
19 I -- I believe that probably that was part of the
20 discussion in the meeting.

21 Q. And you and he had talked about that being
22 part of you all -- Bechtel's motivation for being
23 involved in this?

24 A. Yes.

25 Q. And then there's really four lines of his

1 comments, and that last line of -- of his comments at
2 that entry is "Not interested in replacing anyone."

3 Do you see that?

4 A. Yes.

5 Q. Was that part of your all, Bechtel's
6 approach at this point, even early in the process,
7 that "We're coming in for these reasons, and not --
8 not to replace anyone"?

9 A. Yeah, we were -- we were not vying to
10 replace Westinghouse or CB&I, you know, any of the
11 consortium. It was -- it was not our strategy to do
12 that, and -- so, yes, that's consistent.

13 (Exhibit 3 was marked for identification.)

14 BY MR. RICHARDSON:

15 Q. I'm handing you what's been marked
16 Exhibit 3 for this deposition. It's a memo under --
17 from Bechtel, dated July 9, 2015. It's a summary of
18 Bechtel's V.C.S. management assessment scope and
19 approach. Do you recognize that?

20 A. Give me a moment here to read it.

21 MR. GILMORE: Is that in this stack?

22 Do you have copies of that?

23 MR. RICHARDSON: No.

24 MR. GILMORE: You don't have copies?

25 MS. THOMAS: Does it have a Bates number

1 on it?

2 MR. RICHARDSON: It says it's Exhibit E,
3 and it shows a Bates number of 00073656.

4 MS. MOODY: That's within your Exhibit 2?

5 MR. RICHARDSON: No. Probably not.
6 It's -- it's part of the documents that got --
7 that were attached to the motion to remove the
8 blanket designation of confidentiality. That's
9 where it came out of.

10 MS. MOODY: From who?

11 MR. CHALLY: Okay. I gotcha.

12 THE WITNESS: I've read the document.
13 It -- it looks like it's an early version of the
14 scope of work for the assessment. Judging by
15 the date and -- and the words here, it looks
16 like an early revision of what ultimately became
17 the scope of work for the assessment.

18 BY MR. RICHARDSON:

19 Q. And actually, you can see this -- this is
20 dated July 9, 2015 --

21 A. Yeah.

22 Q. -- and the reference is back to the
23 proposal, which was dated February 10th, 2015, right?

24 A. Right.

25 Q. So in a sense, this is -- may be a

1 summary, but it's a -- it's a progression of the
2 scope after the discussions that had been had?

3 A. Yeah, this would have taken the proposal
4 which you, you know, showed us all earlier, and
5 turned it into a scope of work. So I mean, this --
6 that's what this document is. If you look at the
7 actual final agreement, most of these words ended up
8 in the final agreement as the scope and approach of
9 the assessment.

10 Q. And this is a -- a Bechtel record, you
11 know, reporting or -- or communicating to the client
12 the -- you know, the scope of work, and kept in the
13 ordinary course of business?

14 MR. CHALLY: Object to form.

15 THE WITNESS: Yes, it's -- like I said, I
16 believe it's actually a -- a draft of the scope
17 and approach for the assessment that was drafted
18 up to ultimately become part of the agreement.

19 BY MR. RICHARDSON:

20 Q. All right. After the Bechtel report,
21 SCANA and -- or SCE&G and Santee Cooper had a list of
22 things that they were going to do to address the
23 recommendations in the Bechtel report. Did you have
24 any discussions or involvement with any of that?

25 A. No. Did not.

1 Q. Do you know about the coverage bond or
2 performance bond for the project?

3 A. For the EPC project?

4 Q. Right.

5 A. Doesn't surprise me that there was one,
6 but I don't know that I have any specific knowledge
7 of it.

8 Q. Is there any specific amount of
9 coverage that you --

10 (Noise Interruption.)

11 MR. GILMORE: Counsel on the phone, you
12 need to -- hey, folks, you need to mute it.

13 MR. RICHARDSON: If you're on the phone,
14 would you please mute it.

15 MR. GILMORE: Counsel, we're going to have
16 to hang up on you guys if you don't mute your
17 phone.

18 MR. RICHARDSON: Thank you.

19 BY MR. RICHARDSON:

20 Q. Is there an amount of coverage that you
21 would expect in a performance bond for a project of
22 this magnitude?

23 MR. GILMORE: Objection. Form.

24 THE WITNESS: Not necessarily. There are
25 projects where there isn't a requirement for a

1 performance bond. It tends to be based on the
2 customer/contractor relationship, based on the
3 scope of work. It would not be unusual for
4 there to be one, or not have one. So I don't
5 know that there's a -- I don't know that I could
6 say there's a standard.

7 BY MR. RICHARDSON:

8 Q. And having assessed this project and --
9 and the problems it was facing at this point, would
10 it be surprising to you that there was not a
11 performance bond, even after the EPC amendment in
12 2015?

13 MR. CHALLY: Object to form.

14 THE WITNESS: As I said, I -- some -- some
15 projects, some clients require it; some don't.
16 There's no one common standard to it. It's --
17 it's what I'd say.

18 BY MR. RICHARDSON:

19 Q. One of the remedial measures, after the
20 Bechtel report, by SCE&G and Santee Cooper, they were
21 discussing, dealt with schedule changes, trying to
22 simplify work product, you know, work packages and
23 productivity changes and all, specifically things
24 that dealt with, you know, schedule delays.

25 And I was wondering if you agreed with

1 this statement or not, that the response to those
2 comments about -- or items for improving or
3 mitigating the schedule delays, was that that was
4 Westinghouse's responsibility to address that under
5 the contract?

6 A. Work packaging? Is that what you're
7 asking about? I'm sorry, I didn't --

8 Q. Well, a broader range. I was just using
9 examples of remedial measures to try and either
10 recover or resolve schedule delays on the project.

11 MR. CHALLY: Object to the form of the
12 question.

13 THE WITNESS: Westinghouse was the overall
14 project manager on the project, so I would see
15 that it fell to them, yeah.

16 BY MR. RICHARDSON:

17 Q. Was it -- was it reasonable for the owner
18 like SCE&G, given that the assessment had already
19 been done at this point, to take that kind of
20 hands-off approach?

21 MR. CHALLY: Object to form.

22 THE WITNESS: I -- I don't know that I can
23 necessarily offer an opinion. I'd have to look
24 at the document in the context of their
25 decisions to probably give you a better answer.

1 BY MR. RICHARDSON:

2 Q. All right. Would -- would you agree that
3 it was not just Westinghouse's responsibility under
4 the EPC to address construction schedule?

5 MR. CHALLY: Object to form.

6 MR. GILMORE: Objection. Form,
7 foundation.

8 THE WITNESS: If I were them, I probably
9 would have assigned that action item to
10 Westinghouse. They're the project manager on
11 the job. They need to do it. Executing the
12 change or the improvement is different than
13 overseeing it.

14 BY MR. RICHARDSON:

15 Q. No question that the implementation, that
16 somebody construct --

17 A. It was owned by Westinghouse, yes, or the
18 PM.

19 Q. But it also is literally owned by SCE&G,
20 isn't it?

21 MR. CHALLY: Object to the form.

22 THE WITNESS: I don't know all the terms
23 of their fixed price agreement. There may be
24 reasons that they weren't more engaged in that
25 because of the nature of the contract. I -- I

1 don't know. I can't really answer your question
2 from the information that you've given me.

3 BY MR. RICHARDSON:

4 Q. Are you aware that Fluor was asked to
5 analyze the schedule and identify either rebaselining
6 being necessary or contingency analysis?

7 A. I do remember seeing something that -- or
8 getting some information that they were going to have
9 Fluor do an evaluation of the schedule.

10 Q. And do you know if that happened?

11 A. I don't know.

12 Q. Were you ever -- or Bechtel ever contacted
13 or consulted about that schedule analysis?

14 A. We were not.

15 Q. Can you explain the number -- whether you
16 thought that the schedule in this project had too
17 many activities or not?

18 MR. CHALLY: Object to the form of the
19 question.

20 THE WITNESS: I -- I don't know that I
21 have an opinion on whether or not it had too
22 many or not enough. I had -- sometimes it's not
23 the absolute number of activities. It's having
24 the detail on the right places that matters.
25

1 BY MR. RICHARDSON:

2 Q. Let me ask you more specifically: Did you
3 know that at Watts Bar, there were about 60,000
4 activities in that construction schedule?

5 A. I don't know the numbers off the top of my
6 head. I -- I don't.

7 Q. Or -- or the ranges? You wouldn't know?

8 A. Yeah. I just don't know the numbers off
9 the top of my head. I don't commit them to memory,
10 sorry.

11 Q. And -- and do you know if a -- if a
12 schedule had four times that number, over 230,000
13 activities, if that would be a -- a workable schedule
14 for a construction project like this?

15 MR. CHALLY: Object to form.

16 THE WITNESS: Given the complexity of this
17 project and depending on where you were in the
18 process, that's -- that number does not sound
19 outrageous, if that's what you're asking.

20 We've done projects where we've had
21 hundreds of thousands of activities in the
22 network. As you get into start turning systems
23 over, you get down to the work package level,
24 and the number of activities goes -- goes high.
25 But it's -- doesn't, you know, affect the logic.

1 It's more to be able to track that you're
2 getting all the individual pieces done for a
3 system.

4 So it's not unusual to have, at this scale
5 and at this point in the project, a very
6 different point than Watts Bar was when Watts
7 Bar restarted. It was much farther along
8 than -- than this -- than where V.C. Summer was
9 when we did the assessment.

10 BY MR. RICHARDSON:

11 Q. Okay. Thank you.

12 Do you agree that SCE&G's project
13 management team did not have the comprehensive skills
14 and depth of experience necessary in engineering
15 scheduling, project controls, and construction to
16 manage a large new-build project with these
17 complexities?

18 MR. CHALLY: Object to form.

19 THE WITNESS: We did say that in our
20 assessment, that we thought they needed some
21 more construction and engineering experience
22 folks.

23 BY MR. RICHARDSON:

24 Q. I was going to ask you about the draft
25 November 12th report. In the executive summary, it

1 says that when -- one thing that was recommended was
2 to remove the mandatory constraints from the
3 integrated project schedule and allow the schedule to
4 move based on logic.

5 I think we've already talked about this,
6 but is that -- is that something you agree with and
7 was a problem here?

8 A. Yes.

9 Q. And then there's a statement at the end of
10 the executive summary that says, "It is our confident
11 opinion that the cost will indeed continue to
12 increase to, and very likely beyond, the level of the
13 fixed price option."

14 Do you see that?

15 A. Yes, I do.

16 Q. And is that something that you -- that is
17 true, and -- and that you agree with?

18 A. Yes.

19 Q. Now, in the final report, that was
20 removed. Do you know why?

21 A. Any changes between the report that you're
22 looking at there in your hand and the final report
23 were a result of comments from SCANA.

24 Q. Okay. So SCANA asked that that statement
25 be removed from the final report?

1 MR. CHALLY: Object to form.

2 THE WITNESS: Any changes to that report
3 from there, including the splitting or changes
4 of wording, came from -- came from the customer.

5 BY MR. RICHARDSON:

6 Q. There was another change in the paragraph
7 regarding the acquisition of CB&I by Westinghouse,
8 and -- and that the -- that the acquisition may help
9 resolve many of the consortium-related commercial
10 issues, which change to the acquisition will resolve
11 many of the consortium commercial issues.

12 And I was wondering if you knew that,
13 or -- or knew --

14 A. Can I see the -- can I see the section
15 that you're talking about?

16 Q. So it's in this -- it's the one that is
17 the first -- in that full paragraph, at the bottom.
18 There it says "will resolve."

19 MR. GILMORE: We're looking at the
20 November 12th report? Okay.

21 MR. RICHARDSON: November 12, the draft
22 report.

23 MR. GILMORE: What page?

24 THE WITNESS: It is page 2 of the report.

25 MR. GILMORE: Okay.

1 THE WITNESS: So this is referencing the
2 commercial issues within the consortium, between
3 Westinghouse and CB&I. So by definition,
4 Westinghouse acquiring CB&I is going to clear
5 the deck of those commercial issues between CB&I
6 and Westinghouse.

7 So yes, that settling agreement will
8 resolve those consortium-related commercial
9 issues.

10 BY MR. RICHARDSON:

11 Q. And the commercial issues are essentially
12 the -- whatever contract disputes they might have?

13 MR. CHALLY: Object to form.

14 THE WITNESS: They were the claims that
15 were between Westinghouse and CB&I. So they
16 would no longer exist, because they bought them.

17 BY MR. RICHARDSON:

18 Q. All right. I see why it was out of order.

19 A. All starts to look the same.

20 Q. See if I can find the Schedule Assessment
21 Report, so you have it.

22 A. Okay.

23 Q. I'm going to turn to the schedule
24 assessment process on page 2 of the Schedule
25 Assessment Report. First, were --

1 A. GCJ 2.46A, right?

2 Q. That's right.

3 A. Okay. What page would you like me on?

4 Q. I'm on page 2, the schedule analysis
5 process.

6 A. I'm here. Yeah.

7 Q. Now, all of this Schedule Assessment
8 Report was in the November 12th, 2015, draft, right?

9 MR. CHALLY: Object to form.

10 THE WITNESS: All except the introduction,
11 and I think there were some wrap-up words
12 that -- in -- in -- for the most part, yes,
13 that's the true -- it's an exact extraction.

14 BY MR. RICHARDSON:

15 Q. You had to turn it into a stand-alone
16 report, but --

17 A. Right. So it took some -- it took some
18 work to do that, yeah.

19 Q. Right. Other than that.

20 So I just want to briefly go over this,
21 because I think, you know, it shows the -- the depth
22 of analysis, and the -- and that we've gone over a
23 little bit without the benefit of the document. But
24 these -- this is -- lays out the primary steps of the
25 schedule analysis process that Bechtel undertook.

1 And in number 1, it says that there was a
2 level 2 baseline schedule created from data within
3 the consortium's Primavera P6 baseline file, dated
4 January 2015, right?

5 A. That's correct.

6 Q. And you all actually received that entire
7 file and the incorporated data, and were able to use
8 it and manipulate it, as you said earlier, to -- to
9 work your own schedule assessment, right?

10 A. That's correct.

11 Q. And then in number 2, it talks about
12 including data -- adding data included within the
13 consortium's P6 current forecast file, 2015, right?
14 So --

15 A. That -- that's correct. We added detail
16 into it, based on -- we took their baseline file,
17 level 2. Then we added detail from what was their
18 current forecast, which was July data. That's
19 correct.

20 Q. And then from that, you -- you started
21 your own schedule assessment. And here, for -- for
22 three pages, there are forecasts and -- and analyses
23 and -- and you're adding additional equipment
24 resource loading. On the page 3, you created curves
25 and developed productivity factors and created other

1 documents. And then on page 4, number 16 and 17 and
2 18, you're doing a secondary verification method and
3 reconciliations and probability assessment.

4 Now, does this kind of fairly and -- and
5 accurately describe the detailed schedule analysis
6 that Bechtel did in this matter?

7 A. In words, this describes all the steps we
8 took to analyze the schedule.

9 Q. But even -- what's not here is the -- is
10 the iterations and the -- and the -- and the
11 discussions and the -- and the work and the analysis
12 to make sure that it was done right and -- and
13 checked and verified and -- and sometimes redone?

14 A. Yeah, if you look at the outputs that are
15 attached to the file, you can tell the depth at which
16 the analysis was done because these are just the
17 outputs from our analysis. So it's a considerable
18 amount of data work in the background to be able to
19 develop this, if you will, an independent level 2
20 schedule to complete the work.

21 Q. Okay. And I wanted to turn to page 6
22 and 7, which contain the bases and assumptions. And
23 you lay out the primary bases and assumptions for the
24 analysis.

25 One of the things -- like, for example, in

1 number 4, we've already talked about the productivity
2 impacts from -- from issues and how you all developed
3 what is essentially a median case schedule. And
4 we've looked at those productivity factors, and the
5 actual was much worse than any median case could --
6 would be, right?

7 A. That's correct.

8 Q. And on number 7, you talked about an
9 assumption that all modules and materials will be
10 delivered to support the construction installation
11 dates. But that hadn't happened at V.C. Summer, had
12 it?

13 A. Early on, there -- there were significant
14 impacts from both delivery of the modules and the
15 quality of the modules. But on a go-forward plan,
16 because we didn't have other data, we did assume that
17 some of the corrective actions that Westinghouse was
18 taking on the supply side would correct some of the
19 past woes. So we assumed that going forward, the
20 deliveries would meet the project schedule.

21 Q. And based on the assessment that you were
22 doing, this was a conservative assumption for
23 purposes of a schedule assessment --

24 MR. CHALLY: Object to form.
25

1 BY MR. RICHARDSON:

2 Q. -- for this project?

3 MR. GILMORE: Objection. Form.

4 THE WITNESS: Yeah. Conservative
5 assumption is in the eye of the beholder. In
6 this case, you know, we're -- we're trying to
7 balance the assumptions so we aren't too
8 conservative nor too aggressive. You could look
9 at this, that this is actually an aggressive
10 assumption, because it does assume a better
11 performance on these deliveries than we had seen
12 in the past, based on the file that we were
13 given, showing significant delays or rework of
14 modules.

15 But we had some confidence that they had
16 put in place corrective actions with the module
17 suppliers that were going to stick. So we made
18 an assumption here, in this case, it would be
19 actually aggressive, because it would give you a
20 shorter schedule than to assume there would be
21 similar impacts than had been to date.

22 So in this case, it's actually an
23 aggressive assumption versus a conservative one.

24 BY MR. RICHARDSON:

25 Q. Right. I need -- I need you to follow me

1 around, because we use words differently. I meant a
2 conservative result from this assumption. It -- it
3 creates a conservative result from this assumption,
4 because it's an aggressive assumption, given the --
5 what the actual project experience was.

6 MR. CHALLY: Object to form.

7 BY MR. RICHARDSON:

8 Q. That's what you just described, right?

9 A. It would give you a shorter schedule
10 outcome than had you assumed performance to date on
11 this -- module suppliers.

12 Q. Right.

13 A. If that's what you're asking, that's --

14 Q. Right.

15 A. -- I would agree with -- with that.

16 Q. Right. This is an assumption that creates
17 a more conservative result in -- in the -- in the
18 output of what the -- what the schedule is likely to
19 be.

20 MR. GILMORE: Objection. Form.

21 MR. CHALLY: Same objection.

22 THE WITNESS: This helps shorten the
23 schedule, not push it longer. How about if I
24 state it that way?
25

1 BY MR. RICHARDSON:

2 Q. Sure. And on page 7, the detail that you
3 went to in number 11, you're -- you're estimating
4 commodity estimates by building, right? And you
5 actually found an exception in one building that you
6 laid out in -- in sentence two: The estimates for
7 the annex building were not used and considered
8 unreliable, right?

9 A. Yeah, when we looked at the design for the
10 annex building and the quantities that were being
11 used, it just didn't even make sense. So we actually
12 did deviate from the data we were given, because it
13 didn't match up.

14 So in this case, we actually used, if I
15 remember correctly, fewer quantities than were
16 showing in the consortium's estimate, because the
17 consortium's estimate did not match the design. So
18 in this case, we actually used a smaller amount of
19 quantities because they weren't there in the design.

20 Q. And I know we approached this differently,
21 maybe, because of -- because of where we grew up.
22 But I mean, this is the result of a -- a more
23 conservative approach to the schedule, resulting in a
24 shorter schedule rather than one that may be longer
25 if you didn't make this assumption?

1 A. If we did not make --

2 MR. CHALLY: Object to form.

3 THE WITNESS: If we did not make this
4 adjustment, there would have have to been room
5 in the schedule to install these additional
6 quantities.

7 I do not remember if the annex ever hit
8 the critical path, so it may have not actually
9 changed the overall duration of the schedule.
10 That would be driven by whether or not the annex
11 ever hit the critical path. The critical path
12 tends to go through that bulks in the shield and
13 the annex.

14 BY MR. RICHARDSON:

15 Q. Okay. And let's talk about that, in the
16 second sentence in number 12: "Because of the
17 predicted schedule duration increases in other areas
18 of the integrated schedule, it's assumed that the
19 shield building will not remain on the critical
20 path."

21 Can you explain that, briefly?

22 A. Yes. So again, we looked at the durations
23 in the different buildings based on the bulk
24 installation that had to go in that area. They were
25 showing -- if I remember at the time, they were

1 showing the critical path through the shield
2 building, and I believe our critical path and our
3 analysis would take you through bulk installation in
4 the -- in the aux building.

5 I think it's -- again, it goes up through
6 the control room and the electrical commodities,
7 which -- which will -- which are driving, driving the
8 completion of the -- of the plant.

9 Q. And so if you look at -- just glance at
10 13 through 19, those -- again, assumptions being
11 made. For example, 15: That -- that ratio never
12 occurred at V.C.S., and -- and these assumptions make
13 the result of the schedule assessment by Bechtel more
14 favorable to the owners and actually a more
15 conservative approach in terms of determining the --
16 the schedule?

17 MR. CHALLY: Object to form.

18 BY MR. RICHARDSON:

19 Q. Isn't that right?

20 MR. GILMORE: Objection. Form.

21 Foundation.

22 THE WITNESS: Looking at the assumptions
23 in 13 through 19, those assumptions would be --
24 would result in a shorter schedule versus a
25 longer schedule, had we assumed those, that they

1 had -- that the performance would not be better
2 in these areas.

3 BY MR. RICHARDSON:

4 Q. Okay. And then, of course, the
5 conclusions and results are -- are there. We've --
6 we've been through them.

7 A. Yes, sir.

8 Q. I wanted to -- thank you for that -- look
9 at the final Project Assessment Report in a couple of
10 places.

11 I'm turning to page 2, which is the
12 executive summary, and this is the final report. The
13 third bullet point down -- well, we've already
14 addressed this. Remove the mandatory constraints,
15 obviously.

16 But in the last paragraph on that page, we
17 talk about the -- this new arrangement, and we're
18 talking about the -- the CB&I-Fluor change by
19 Westinghouse: "This new arrangement will not fully
20 address the project challenges and EPC shortcomings
21 that we've observed and documented. On our
22 understanding of the project, we recommend the owners
23 establish a stronger EPC-capable oversight function
24 to ensure it is optimal EPC and decision-making."

25 And then: "Further, we believe it is in

1 the best interest of the owners, the oversight
2 function and the perspective of both owner and
3 practitioner," which we talked about with the owners'
4 engineer recommendation.

5 Is -- is this -- you agree with this part
6 of the conclusion?

7 A. Yes, I do.

8 Q. And I'm sorry, if you flip all the way to
9 the back, we're going to talk about just two of these
10 weekly reports.

11 A. Okay.

12 Q. Specifically, the one week ending
13 August 28th, 2015.

14 MR. CHALLY: Do you have a page number on
15 that?

16 MR. GILMORE: It's page number 114. 113
17 and 114.

18 MR. RICHARDSON: I think it's the very
19 first weekly report in Appendix C.

20 THE WITNESS: So very first one in
21 Appendix C. I'm there. I'm with you.
22 August 28th, 2015.

23 BY MR. RICHARDSON:

24 Q. Thank you. In the fourth bullet point
25 down, it starts "The CD of the owners' P6 integrated

1 product schedule was received on August 19th," and
2 the -- downloaded all of the schedule, sub-projects,
3 and started working the data.

4 And then it says, in the second sub -- in
5 the first subheading, without the milestone -- that
6 it didn't have the milestone files.

7 And did you all ultimately get that?

8 A. Ultimately we got everything we needed to
9 do the analysis. Again, this was really early on, so
10 we were -- we were still missing some data --

11 Q. Okay. I think I --

12 A. -- if I recall.

13 Q. I think I can point that to you later.

14 A. Yeah.

15 Q. The second subheading under there is that
16 you identified, in looking at that integrated
17 schedule from the -- from the owners, 60 mandatory
18 constraints in the schedule, precluding a true
19 calculation of critical path negative float.

20 A. That's correct.

21 Q. And a shorthand way to say that is that
22 they artificially constrained the schedule to end at
23 certain dates, hadn't it?

24 A. Yes, those constraints were causing the
25 project to not -- number one, not show you what the

1 actual critical path, and number two, it did
2 constrain the completion of the project.

3 Q. If you'll turn a couple pages back, to the
4 week ending September 18th. I'm actually going to go
5 to page 3.

6 A. Week ending September 18th, page 3.

7 I'm there.

8 Q. At the bottom, the very last line there,
9 it says, "Bechtel created a copy of the P6
10 construction file with all of the hard constraints
11 removed for future variation analysis."

12 And that -- that was essentially a
13 critical part of a schedule -- of a true schedule
14 analysis, wasn't it?

15 A. That's correct.

16 Q. And ties in to what we just talked
17 about --

18 A. Yes, it does.

19 Q. -- about finding the hard constraints.
20 And if you'll turn to the page 3 of the week ending
21 September 25th, 2015.

22 A. I'm there. September 25th, page 3.

23 Q. All right. In number 5, "Project
24 Controls," if you go down to the fifth line -- excuse
25 me, the fifth bullet point, it -- then you've

1 solved -- Bechtel solved its problem of not having
2 the milestones file by downloading and reviewing the
3 engineering procurement milestones file, right?

4 A. Yeah.

5 Q. And so, having just glanced at some of
6 what was done in specifics, you agree that this, that
7 you all had all of the data and information you
8 needed in order to do a reliable schedule assessment
9 for the project?

10 MR. CHALLY: Object to form.

11 THE WITNESS: Yes, I agree we did.

12 BY MR. RICHARDSON:

13 Q. Just wanted to ask you if you know a
14 Dr. Kenneth Petrunik.

15 A. Doesn't ring a bell.

16 Q. He's a consultant in the nuclear power
17 industry from Ontario, Canada, and a nonexecutive
18 member of Horizon Nuclear.

19 A. I don't know him.

20 Q. You categorized the Bechtel assessment and
21 report's conclusions as -- as suggestions for
22 improving efficiency of the project, and then said
23 that the schedule assessment was already known to the
24 owners. They just didn't want it reported. Is
25 that -- is that a fair characterization of the -- of

1 the assessment?

2 MR. CHALLY: Object to form.

3 THE WITNESS: I've -- I've never read that
4 document so I -- I don't know that I remember
5 the owners ever saying, "We knew this already."

6 BY MR. RICHARDSON:

7 Q. How about -- how about this statement,
8 that "The Bechtel report did not identify any
9 undisclosed issues or challenges"?

10 MR. CHALLY: Object to form.

11 MR. GILMORE: Objection.

12 THE WITNESS: Undisclosed by who? I've --
13 I've never read that report, so . . .

14 BY MR. RICHARDSON:

15 Q. Okay. Let me ask you this: He says that
16 the Bechtel schedule assessment was based on
17 inadequate information and did not reflect key
18 project data and was properly -- and should have been
19 excluded. You disagree with that, don't you?

20 MR. CHALLY: Object to form.

21 THE WITNESS: I disagree with that.

22 BY MR. RICHARDSON:

23 Q. And the Bechtel report, though, issued in
24 2016, was actually an assessment conducted based on
25 information and data from 2015 and before, right?

1 A. Yes, it was -- it was based on data up
2 through end of July. I think the actual data report
3 we got was end of July 2015. We began the assessment
4 in August.

5 Q. One of the things that he seems to believe
6 is that there were limitations on -- on data that
7 prevented Bechtel from exporting data and information
8 needed to compile its own project schedule into its
9 own computer systems. That's not true, is it?

10 MR. CHALLY: Object to form.

11 THE WITNESS: What I would say about the
12 schedule analysis is if you recognize that you
13 don't need a level 3 network to do the top-level
14 analysis, you will realize that you don't need
15 to have to completely replicate the network. We
16 did not need to replicate the level 3 network to
17 show that you couldn't install all of the
18 widgets in the time that were available. You --
19 you didn't need that to do it.

20 BY MR. RICHARDSON:

21 Q. So the only thing that you couldn't copy
22 into your system is the full and complete level 3
23 level of detail for the schedule, but you downloaded
24 the entire and complete schedule at a higher level?

25 MR. CHALLY: Object to form.

1 THE WITNESS: We were able to create a
2 level 2 schedule. We had the consortium
3 verified quantities to go. We found some errors
4 in those quantities, so we corrected that
5 error -- specifically in the annex building --
6 and we applied our experience in that to-go work
7 and said, based on our experience, this is what
8 it would take to install this work, with a set
9 of assumptions that were balanced between
10 conservative and aggressive.

11 BY MR. RICHARDSON:

12 Q. Did you get help from the consortium in
13 developing the schedule assessment?

14 A. We -- they were cooperative.

15 Q. They sent you the three files we just
16 talked about?

17 A. They sent us the files we needed. We --
18 we used those files to -- we got their quantity
19 verifications. We did checks, found a couple errors,
20 and fixed them. I don't think -- I think they were
21 okay with that.

22 I would tell you that in general, CB&I was
23 very cooperative with us on looking at their, you
24 know, day-to-day data related to man-hours. They --
25 neither Westinghouse nor CB&I shared dollar

1 information with us, and we didn't need it to do the
2 analysis we were asked to do.

3 Q. Was the creation of the schedule by
4 Bechtel unauthorized?

5 MR. CHALLY: Object to form.

6 THE WITNESS: No, it wasn't unauthorized.

7 BY MR. RICHARDSON:

8 Q. Did -- did Bechtel lack the institutional
9 knowledge necessary to understand Part 52 project
10 lessons and learned and translated it into schedule
11 efficiencies?

12 MR. CHALLY: Object to form.

13 THE WITNESS: I would argue the contrary,
14 that Bechtel has done more work licensing under
15 Part 52 than any other -- any other EPC company,
16 and that -- and that ultimately we assumed that
17 there would no -- be no ITAAC impacts, which is
18 the licensing, or no LAR impacts to the -- to
19 the to-go work.

20 So we assumed that the licensing would
21 keep up with the construction, therefore would
22 not be a direct impact to the critical path of
23 the schedule.

24 BY MR. RICHARDSON:

25 Q. And you controlled for that?

1 A. Yeah.

2 Q. Were you aware of SCE&G formally
3 collaborating with firms that were building AP1000
4 units in China?

5 A. Yes, I was aware that SCE&G was engaged
6 with CNNC in China.

7 Q. And did you account for that collaboration
8 incorporating lessons that they learned in China into
9 the construction in this project?

10 A. The Chinese plants were stick-built. The
11 lessons learned are primarily in the area of startup
12 and commissioning. Plants in the U.S. are modular,
13 more modularized than stick-built.

14 China, labor is cheap. Fabrication is
15 expensive. In the U.S., labor is expensive. So we
16 modularize to get hours off of the site. They are
17 two very different construction processes, different
18 risks, and the codes are significant enough that
19 Westinghouse had to redesign the electrical part of
20 the plant to be built in the U.S.

21 So while there are lessons learned, they
22 tend to be operational, startup and commissioning
23 lessons learned, versus specific construction lessons
24 learned.

25 (Exhibit 4 was marked for identification.)

1 BY MR. RICHARDSON:

2 Q. Mr. Troutman, I'm handing you a
3 February 19th, 2016, e-mail from Richard Miller to
4 Carl Rau, with the Bates number BPC_VCS_00036914. Do
5 you see that?

6 A. I'm looking at the document.

7 Q. And Richard Miller reported to you, as did
8 Carl Rau, didn't they?

9 A. Yes, they did.

10 Q. And the first thing in this e-mail is that
11 it tells -- excuse me, Dick is telling Carl that "The
12 final payment from SCANA was received on Tuesday this
13 week." That was for the assessment?

14 A. That's correct.

15 Q. And the last sentence on this e-mail
16 reads, "Several years from now, when cost and
17 schedule goes to hell, existence of prior knowledge
18 can be debated, I guess."

19 Do you see that? Did I read it right?

20 A. I see it.

21 Q. And do you agree with that statement?

22 MR. CHALLY: Object to form.

23 THE WITNESS: I don't know that I
24 necessarily agree with Dick's statement. At the
25 end of the day, we submitted our entire

1 assessment. It did go into reports. We
2 presented it. We communicated with the customer
3 all the way through the process, so they knew
4 what was going on, that we had done a detailed
5 schedule assessment, was detailed out weekly as
6 we sat down with them and went through the
7 progress of the work.

8 I think Dick is speculating here. I --
9 sounds like Dick.

10 BY MR. RICHARDSON:

11 Q. And he was your project lead, right,
12 Bechtel's project lead on this project?

13 A. He's a very, very good nuclear guy.

14 Q. He knows what he's talking about, doesn't
15 he?

16 MR. CHALLY: Object to form.

17 THE WITNESS: He's a nuclear operator by
18 trade, so he's very good -- very good project
19 manager.

20 BY MR. RICHARDSON:

21 Q. And he knows what he's talking about,
22 doesn't he?

23 MR. CHALLY: Object to form.

24 THE WITNESS: He knows what he's talking
25 about when he's talking about nuclear

1 construction and operations.

2 This statement, it's inflammatory. It's
3 speculative.

4 BY MR. RICHARDSON:

5 Q. And based on the assessment --

6 A. I wouldn't have said this.

7 Q. Right.

8 A. I wouldn't have said this.

9 Q. Based on the assessment, though, actually
10 the cost and schedule had already gone to hell,
11 hadn't it?

12 MR. CHALLY: Object to form.

13 MR. RICHARDSON: Let's take a break. Just
14 to get -- we've got to replace the DVD.

15 VIDEOGRAPHER: We are going off the record
16 at 3:18.

17 (A recess transpired from 3:18 p.m. until
18 3:27 p.m.)

19 VIDEOGRAPHER: Here begins tape number 3.

20 We are back on the record at 3:27.

21 BY MR. RICHARDSON:

22 Q. Mr. Troutman, let's go back to -- let's
23 start with the second sentence of this paragraph, and
24 put the final one in context.

25 You see, Mr. Miller wasn't -- wasn't

1 happy; in fact, he says in the third sentence, "I
2 wasn't exactly pleased that what we did is a
3 compromise."

4 So -- in separating out the two reports,
5 right?

6 A. Correct. I mean, that's what he's
7 speaking to.

8 Q. And that was -- that was the position of
9 Bechtel, too, right? We talked about your position,
10 that the -- the schedule assessment had to be part of
11 a report, and if it -- the only way to get it issued
12 was to separate them, that's what you all did.

13 A. I was okay with the way the reports
14 finally went in. I wanted to make sure that all the
15 information went in together, and it did.

16 Q. And that -- and that's what he says in the
17 fourth sentence, right?

18 A. Yeah, he describes how they went in.

19 Q. Right. And in the -- the last clause of
20 the penultimate sentence starts, "Neither report made
21 reference to the other report."

22 And -- and particularly the program
23 assessment report that was, that may be -- actually
24 be used and circulated didn't refer to the schedule
25 report. And it -- and at that point in the -- in

1 what he's talking about, he's not being really
2 speculative at this point, is he? He's actually
3 summing up what he's expressed already in this
4 e-mail, of there being, you know, this insistence of
5 two reports and -- and, you know, and the result that
6 we all know is in the -- is in the assessment
7 reports?

8 MR. CHALLY: Object to form.

9 THE WITNESS: Objection.

10 BY MR. RICHARDSON:

11 Q. Isn't that right?

12 MR. GILMORE: Sorry. Objection. Form,
13 foundation. Lack of foundation.

14 THE WITNESS: Actually, at the end of the
15 day, we didn't remove the weekly documentation
16 of the meetings. We didn't remove, within the
17 other assessment areas, references to schedule
18 and to things that we -- actually were outputs
19 of our schedule assessment.

20 So the only place that it did not exist is
21 in the -- is in the executive summary. But you
22 cannot read the -- the assessment report and all
23 its attachments and walk away and believe that
24 we never looked at the schedule.
25

1 BY MR. RICHARDSON:

2 Q. Right.

3 A. Can't get to some of those conclusions
4 without doing it. And the attachments thoroughly
5 document how deep we dove into the schedule to figure
6 out and assess the project and where it might end up.

7 Q. And -- and --

8 A. So I -- I disagree a little bit with
9 Dick's generalizations here, that it -- that
10 there's -- that you can't tell that the schedule was
11 ever assessed. Actually, you can, if you read the
12 report.

13 Q. Well, let's look at the end of his -- of
14 his comment, that -- that you seem to -- that I
15 don't -- I don't think you take exception to what --
16 what -- with what you just said. He says "the
17 existence of prior knowledge can be debated, I
18 guess."

19 I mean, he's agreeing with you, isn't he?
20 You can't -- you can't look at the progress -- the
21 Project Assessment Report and -- and now debate that
22 you didn't know about the schedule assessment.
23 That's what you just said, right?

24 A. Yeah, his -- his language -- his English
25 is a little bit rough here, but in my observation --

1 and obviously I've read both the reports. I mean, I
2 was the -- I was the approving reviewer. And you
3 cannot read the assessment report and not understand
4 that there was significant schedule analysis done to
5 underpin that report.

6 Q. And he says the same thing with sarcasm:
7 "Existence of prior knowledge can be debated, I
8 guess"?

9 MR. CHALLY: Object to form.

10 BY MR. RICHARDSON:

11 Q. Isn't that right?

12 A. He's a colorful guy.

13 Q. But that's not inconsistent with what you
14 just said, is it?

15 A. It's just words I wouldn't have used,
16 but . . .

17 Q. But it's also not inconsistent with it, is
18 it?

19 A. You have my words. You can't read the
20 assessment report without knowing that there was
21 significant schedule analysis done to underpin that
22 report.

23 Q. True. And the first part of that
24 sentence, which is more colorful, I think, that you
25 wouldn't have used, we know from the assessment that

1 the schedule had already -- at least as it was being
2 reported by the consortium and the owners -- was not
3 correct that it had "gone to hell," is one way to put
4 it -- not yours.

5 A. Yes, it -- from the time we did the
6 assessment to the dating of this e-mail, there had
7 been significant -- already significant erosion of
8 the project schedule.

9 Q. So even though he starts that last
10 sentence "Several years from now," he could have just
11 as easily meant that "when that becomes known."
12 Don't you agree?

13 A. Yeah. He could have used different words,
14 but the fact of the matter remains that it did erode
15 already.

16 (Exhibit 5 was marked for identification.)

17 BY MR. RICHARDSON:

18 Q. Do you know Bill Blackwell? MetalTek?

19 A. I -- the name does not ring a bell.

20 Q. If you flip to page 2, the first full
21 e-mail there is from Dick Miller, January 26th, 2016.

22 A. I'm there.

23 Q. Yeah. It's about less than -- about ten
24 days before the report coming out, the final report
25 coming out?

1 A. Hang on. I'm reading this now.

2 Okay, I've read this. What's the
3 question?

4 Q. January 26, 2016, is about ten days before
5 the final report comes out?

6 A. That's correct. It went out on, I
7 believe, February 5th.

8 Q. And in the middle of that paragraph, the
9 fourth line down, it says, "Schedule and quality
10 performances are not valued as before."

11 And he goes on to say, "Several nuclear
12 plants have just closed their doors. Several others
13 have planned to close."

14 And that was true, wasn't it, at the time?

15 A. That describes the industry condition at
16 the time -- at the time.

17 Q. And then he goes on to say, "V.C. Summer"
18 -- this project -- "and Vogtle may very well be the
19 first and last new nuclear plants built in our
20 lifetimes."

21 Was that a concern shared in Bechtel?

22 A. I mean, these are Dick's words.

23 Q. Well, we've talked about it --

24 A. And certainly -- certainly we were
25 concerned that if there wasn't success at V.C. Summer

1 and Vogtle, there -- the follow-on plants may not go.

2 Q. Right.

3 A. And I've said that several times today.

4 Q. And that -- that's the same expression of
5 concern that he has in that sentence?

6 In the next sentence, he says, "Both new
7 plant construction schedules and costs are beyond
8 measuring."

9 Is that a characterization, one
10 characterization of the assessment of the project?

11 A. I -- I wouldn't describe that -- that's
12 not -- that is not what our conclusion was, that it
13 was -- we did not say it was beyond measuring. We in
14 fact gave a set of -- a range of outcomes that we
15 believed would -- would deliver the project.

16 Q. With some conservative assumptions, right?

17 A. With "balanced assumptions" --

18 Q. Balanced?

19 A. -- were my words.

20 Q. And -- and as we talked about, if you had
21 not made any assumptions and just used the
22 then-current actual, it would have been almost beyond
23 measure, wouldn't it?

24 A. It would have been --

25 MR. CHALLY: Object to form.

1 MR. GILMORE: Objection.

2 THE WITNESS: It would have been much
3 further out.

4 BY MR. RICHARDSON:

5 Q. Right. And the next sentence is, "I
6 managed a ten-person team performing an assessment of
7 V.C.S. Units 2 and 3 in September/October 2015. The
8 owners won't even let us mail them a copy of our
9 report."

10 Was that true, in January 26th of 2015?

11 MR. CHALLY: Object to form.

12 BY MR. RICHARDSON:

13 Q. 2016; excuse me.

14 A. I believe what Dick is referencing here,
15 that our agreement had us providing it to the --
16 their outside counsel, not directly to the owners.

17 Q. So that was true, wasn't it?

18 A. I mean, not his exact words. I mean,
19 there were -- the agreement specifically had us --
20 that we signed up to, specifically had us providing
21 it to the -- their outside counsel.

22 Q. Did you -- did you know that at this time,
23 that Santee Cooper had been asking, demanding, and
24 begging for a copy of the report since November?

25 A. I'm trying to remember when Michael called

1 me. It may have been actually just before this time.
2 I don't remember exactly when that phone call was. I
3 think we looked at his notes from it earlier today.

4 But that's -- actually was the first
5 Michael had called me and said, "Hey, what's going
6 on? We didn't get the report."

7 Q. And had you heard from Mr. Daw about the
8 lawyers for Santee Cooper contacting him and asking
9 him for a copy of the report?

10 MR. GILMORE: Objection. Instruct the
11 witness not to disclose communications with
12 Mr. Daw, based on attorney-client privilege.

13 MR. RICHARDSON: I'll rephrase.

14 BY MR. RICHARDSON:

15 Q. Did you know that Santee Cooper was asking
16 Bechtel for a copy of the report?

17 MR. GILMORE: I'll give a limiting
18 instruction to the witness: You can answer, to
19 the extent you have independent knowledge.
20 Don't disclose communications you had with
21 counsel for Bechtel.

22 THE WITNESS: Before Michael called me, I
23 did not have any prior knowledge of Santee
24 Cooper contacting us or the report, asking about
25 the report, until Michael called me, which was

1 right -- again, right about this time frame.

2 BY MR. RICHARDSON:

3 Q. And did you know that George Wenick
4 instructed Bechtel not to provide that report to
5 Santee Cooper directly?

6 MR. CHALLY: Object to form.

7 THE WITNESS: I did not know that.

8 BY MR. RICHARDSON:

9 Q. Did you know that George Wenick directed
10 Bechtel not to communicate directly with Santee
11 Cooper?

12 MR. CHALLY: Object to form.

13 BY MR. RICHARDSON:

14 Q. About the report?

15 A. None of those communications came to me.

16 Q. But were you aware of them?

17 MR. GILMORE: I'll give a limiting
18 instruction again: To the extent that answering
19 would require you to disclose communications
20 with Mr. Daw or other counsel for Bechtel, I
21 instruct you not to answer. Otherwise, if you
22 have independent knowledge, you can answer.

23 THE WITNESS: I really have no other
24 knowledge of that.

25

1 BY MR. RICHARDSON:

2 Q. If you turn back to the first page.

3 A. Sure.

4 Q. The second e-mail on the first page is a
5 January 26th, 1:14 p.m., e-mail from Dick Miller to
6 Bill Blackwell, and the --

7 A. I'm there. Yeah.

8 Q. Okay. And -- fifth line down, in the
9 middle, there's a sentence that starts, "I'm afraid
10 that"?

11 A. I'm there.

12 Q. Yeah. And it says, "I'm afraid that in a
13 few years, when litigation starts, that we'll be
14 summoned and have to explain what we found."

15 Was that a concern Bechtel had, based on
16 this -- the -- the way that this report and the
17 separation of the two reports had been required by
18 SCE&G?

19 MR. GILMORE: Objection. Form,
20 foundation.

21 THE WITNESS: I'm not afraid that we have
22 to explain what we did. I said it earlier
23 today, and I would say it again. And that's
24 we -- we did a good job on this assessment. We
25 had the best experience in the industry on it.

1 We were able to get the information we needed in
2 order to do it. And we stand behind the
3 results. And I would -- and I still today stand
4 behind those results.

5 BY MR. RICHARDSON:

6 Q. No -- no question. And as part of that --

7 A. So, no, I'm not afraid. If you're asking
8 me if I'm afraid, no, I'm not afraid.

9 Q. I think that's just introductory phrase.
10 I'm not -- I'm not -- I wouldn't take -- take that
11 literal.

12 I think that the question is that given
13 the assessment and the division of what was found,
14 that -- and the way it was then dealt with, with this
15 division of the two reports, that "In a few years,
16 when the litigation starts, we'll . . . have to
17 explain what we found."

18 "What we found" and why -- essentially why
19 it was -- why it was separated?

20 MR. CHALLY: I'll object to the form of
21 the question.

22 MR. GILMORE: Objection. Form.
23 Foundation.

24 THE WITNESS: I think I've been explaining
25 what we found all day today. I --

1 BY MR. RICHARDSON:

2 Q. So it turns out it was true?

3 A. I don't know quite how to answer your
4 question. I -- I'm not afraid to talk about it,
5 and -- and everything we did, we did for all the
6 right reasons in this -- in this assessment. And
7 ultimately we sent the entire -- the entirety of the
8 assessment over to -- to SCANA and Santee Cooper's
9 counsel.

10 And I don't know what they did with it.
11 And, you know, that's their choice. I -- I stand
12 behind what we did.

13 Q. Oh, yeah, I don't think -- I don't think
14 there's anybody questioning that, at least not
15 from -- from our side. We're fortunate to have had
16 your all's work. I think that this is another -- my
17 question is, this is another example where, you know,
18 the guy you put in charge of it is -- is --
19 understands the implications of what you found.

20 MR. CHALLY: Object to form.

21 BY MR. RICHARDSON:

22 Q. Do you agree with that?

23 MR. CHALLY: Object to form.

24 THE WITNESS: It sounds like Dick, again.

25

1 BY MR. RICHARDSON:

2 Q. And -- and in nuclear construction
3 projects, he knows what he's talking about, doesn't
4 he?

5 MR. CHALLY: Object to form.

6 THE WITNESS: He -- you know, I don't
7 think this states anything that is -- I mean,
8 Dick's a straight-up guy. He is -- he uses the
9 words he used. I would not have used these,
10 words, but that's what he used.

11 MR. RICHARDSON: Thank you, Mr. Troutman.

12 EXAMINATION

13 BY MR. SOLOMONS:

14 Q. Mr. Troutman, my name's Gibson Solomons.
15 I, along with Mr. John Alphin here, represent the
16 customers class in South Carolina. I don't have,
17 hopefully, a ton of questions, but we've talked for a
18 while, and there's a few things I want to go back
19 over.

20 The first thing I want to go is to the
21 very last thing we talked about, the e-mail that was
22 introduced as an exhibit, DPC_VCS_00010708.

23 In the very first e-mail in this exchange,
24 which is in reverse chronological order, the last
25 sentence of the first paragraph says, "I know you are

1 in a tough spot doing the assessment."

2 Do you see that?

3 A. Which --

4 MR. RICHARDSON: Very first.

5 THE WITNESS: -- page of it are you on
6 here? Oh, I see. I see where you're at.

7 You're at actually the --

8 BY MR. SOLOMONS:

9 Q. From Mr. --

10 A. -- newest part of the --

11 Q. Yes, yes. Because it's --

12 A. Okay. So -- going to the older.

13 Q. It's my like all e-mails, reverse
14 chronological.

15 A. Okay. Yeah. Okay.

16 Q. You see that?

17 A. Yes, I do.

18 Q. What in this e-mail exchange would allow
19 someone to appreciate that Mr. Blackwell -- or
20 Mr. Miller was in a tough spot?

21 MR. CHALLY: Object to form.

22 MR. GILMORE: Objection. Form.
23 Foundation.

24 THE WITNESS: Give me a moment here to
25 read the full string. I wasn't on this e-mail,

1 so . . .

2 I think -- all I can do is -- you know,
3 I'm not Bill Blackwell, so speculate for a
4 moment and say that, you know, the fact that we
5 were doing an assessment for a -- a new-build
6 plant that was failing in performance standpoint
7 is -- is a tough reality, given that Dick spent
8 his entire career in the nuclear industry, first
9 for utilities as an operator and then later with
10 Bechtel as a project manager and, you know,
11 execution person.

12 So that's -- that's what I would say it --
13 that reference would be to. My guess. It's a
14 guess.

15 BY MR. SOLOMONS:

16 Q. Okay. One of the things you talked about
17 earlier today was the fact that -- I think you were
18 asked about, did -- did Bechtel have a financial
19 motivation to paint a bleak picture in this project?
20 Do you remember those questions?

21 A. Yeah, I remember questions similar to
22 that.

23 Q. Well, let me ask you this: If it was said
24 that Bechtel wanted to paint a bleak picture as a
25 sales pitch, so that it -- it could then be asked to

1 come on board, would you agree or disagree with that?

2 A. I would disagree with that.

3 Q. Okay.

4 A. It was to our advantage to do our best

5 honest assessment of where it was going. Painting a

6 bleak picture does not help our -- our situation,

7 given we were connected with the customer's building

8 the next two beyond V.C. Summer and Vogtle.

9 Q. And one of the things reflected in this
10 e-mail exchange between Mr. Miller and Mr. Blackwell
11 is that Mr. Miller appreciates that if Summer goes
12 away, it's just -- it's another -- it's more headwind
13 for the nuclear industry as a whole. Wouldn't you
14 agree with that?

15 MR. CHALLY: Object to form.

16 THE WITNESS: I would agree.

17 BY MR. SOLOMONS:

18 Q. You mentioned that Bechtel had involvement
19 or -- or was in discussions with a few of the other
20 AP1000 projects that were being contemplated during
21 this time frame, didn't you?

22 A. That's correct. Vogtle -- I mean, Turkey
23 Point 6 and 7 with Nextera, and the Stewart County
24 project with Georgia Power. [REDACTED]

[REDACTED]

1

[REDACTED]

23

BY MR. SOLOMONS:

24

Q. Okay. Have you -- have you seen what the

25

cost estimates to complete the project at Turkey

1 Point were submitted as? Do you -- do you remember
2 that?

3 A. I don't remember those numbers. I'm
4 sorry.

5 Q. Okay. It looks like that other than --
6 other than the Vogtle and V.C. Summer projects, that
7 there were seven other AP1000 applications -- or --
8 applications submitted for a license. Does that
9 sound about right to you?

10 A. I don't remember the exact number, but it
11 sounds pretty close.

12 Q. Do you know if any of those seven have
13 been built?

14 A. No others have been built in the U.S.

15 Q. Okay. Do you remember or do you recall
16 looking at the ranges of the estimated cost to
17 completion at any of those other seven?

18 A. I don't -- I don't remember --

19 Q. Okay.

20 A. -- the numbers. I mean, I've seen them,
21 but I don't remember what the numbers were.

22 Q. Do you remember -- do you have an
23 impression of whether the original estimated cost of
24 completion at V.C. Summer was lower or higher than
25 the average submitted estimated cost of completion

1 for these other AP1000 projects?

2 A. I don't know. I don't remember.

3 Q. When you were -- were you a part of the
4 team at Bechtel that was assisting in the licensing
5 COLA at V.C. Summer?

6 A. I -- no, I was working in the defense part
7 of Bechtel --

8 Q. Do you know who was --

9 A. -- at the time.

10 Q. Do you know who was the head of that team?

11 A. Steve Routh was the project manager on
12 that team.

13 Q. How do you spell his last name, please,
14 sir?

15 A. R-o-u-t-h. He was also on the assessment
16 team, V.C. Summer. You would see his information in
17 the report.

18 Q. So Mr. Routh took part in the COLA
19 efforts, and then also took part in the assessment
20 efforts?

21 A. That's correct. Steve runs our -- our
22 licensing projects for Bechtel.

23 Q. Do you recall about how long the -- that
24 Bechtel was engaged in its efforts to -- in the COLA
25 process for V.C. Summer?

1 A. Well, I -- I don't remember the dates. We
2 were engaged from the very beginning, because we did
3 the initial engineering work for the license.

4 Q. All right, sir. I'm going to ask you a
5 question that is just something we need to clear up
6 that has to do with several of the documents that you
7 have looked at today. And those documents include
8 the draft assessment, the assessment, the weekly
9 reports, and the final assessment.

10 And you may have answered these questions,
11 but this is a collective set of questions for all of
12 those documents.

13 A. Okay.

14 Q. Were those documents made by someone with
15 a business relationship to Bechtel?

16 MR. CHALLY: Objection.

17 BY MR. SOLOMONS:

18 Q. Were they created by someone with a
19 business relationship to Bechtel?

20 MR. CHALLY: Object to the form of the
21 question.

22 THE WITNESS: Are you talking about our
23 reports?

24 BY MR. SOLOMONS:

25 Q. Yes. Yes.

1 A. We wrote those reports.

2 Q. Okay.

3 A. Bechtel employees wrote those reports.

4 Q. I understand. Did the -- was the -- were
5 the people who helped in creating those records, did
6 they have a duty to report the information to Bechtel
7 as a part of their job duties?

8 A. Yes.

9 MR. CHALLY: Object to the form of the
10 question.

11 BY MR. SOLOMONS:

12 Q. Did the creators of those documents, the
13 various teams that performed the assessment, have
14 personal knowledge of the facts or events that were
15 reported?

16 MR. CHALLY: Object to the form of the
17 question.

18 THE WITNESS: Yes, they were the ones that
19 were, you know, literally there on the ground.
20 Our -- this team didn't do this report remotely.
21 They did it right there at the site, engaging
22 with SCANA, Santee Cooper, the consortium.

23 BY MR. SOLOMONS:

24 Q. The reports were prepared at or near the
25 time of the -- the events or facts being reported?

1 A. That's correct.

2 MR. CHALLY: Object to the form of the
3 question.

4 BY MR. SOLOMONS:

5 Q. And the reports were made in various
6 written forms?

7 MR. CHALLY: Same objection.

8 THE WITNESS: That's correct.

9 BY MR. SOLOMONS:

10 Q. One last: The reports were part of the
11 regular course of business for Bechtel?

12 MR. CHALLY: Same objection.

13 THE WITNESS: Yes.

14 BY MR. SOLOMONS:

15 Q. How many times in the past had Bechtel
16 worked with SCANA prior to V.C. Summer?

17 A. I don't know that answer.

18 Q. It's fine if you don't know.

19 A. Yeah.

20 Q. Was -- was there any prior working
21 experience with Santee Cooper?

22 A. I don't know. I don't know that answer.
23 I personally was not engaged in any other projects
24 with Santee Cooper or SCANA.

25 Q. Westinghouse?

1 A. Yeah.

2 Q. Any prior experience with Westinghouse?

3 A. Yeah. Bechtel does a lot of work with
4 Westinghouse. We --

5 Q. Had Bechtel worked on other projects with
6 Westinghouse in -- in a nuclear construction build?

7 A. Yes.

8 Q. Could you tell me what those sites were?

9 A. Bechtel was -- so -- so we wouldn't -- we
10 didn't work directly with Westinghouse, because the
11 configuration of the contracts for construction of
12 the operating fleet were the -- the utility would
13 contract directly with the OEM.

14 So they would contract with Westinghouse
15 for the pressurizer, the steam generator, the reactor
16 coolant pumps, the reactor -- you know, all the
17 components. And then they would contract with
18 Bechtel for the EPC, for the design of the plant.

19 So our experience with Westinghouse was
20 primarily interaction with them with them as the OEM
21 and us as the engineering procurement construction
22 contractor.

23 We also worked directly with Westinghouse.
24 We did the early preliminary design on both the AP600
25 and the AP1000, so the original system design and

1 conceptual design for the AP600 and AP1000.

2 Bechtel also teamed with Westinghouse on
3 steam generator replacement projects, as well as some
4 decommissioning work in the -- for the U.S. domestic
5 fleet.

6 I can't list all the plants. I have --
7 almost every PWR, that Bechtel replaced the majority
8 of the steam generator on the domestic fleet, most of
9 them Westinghouse reactors.

10 I already said we worked with them
11 directly on the AP600 and the AP1000.

12 Q. Would it be fair to say that Bechtel has a
13 good working relationship with Westinghouse?

14 MR. CHALLY: Object to form.

15 THE WITNESS: We have a long working
16 relationship with Westinghouse. At the --
17 contemporary with this time, we had a bit of a
18 falling out, because we did not -- Westinghouse
19 wanted us to get into a consortium with them in
20 China, and we could not reach terms. As a
21 result of that, we weren't picked to be the
22 construction contractor for Vogtle and
23 V.C. Summer at the time that they were starting
24 the work.

25 So we had a little bit of a falling out

1 there, since -- since repaired.

2 BY MR. SOLOMONS:

3 Q. Would that have created any motivation for
4 Bechtel to do a report that was anything less than
5 forthright?

6 A. No. It would not.

7 MR. CHALLY: Object to form.

8 BY MR. SOLOMONS:

9 Q. The licensing: You said that you -- while
10 you were not directly involved, did you have any
11 knowledge of Bechtel's efforts in the licensing of
12 the V.C. Summer project?

13 A. I -- I don't have any direct -- you know,
14 I wasn't engaged with that project at the time. I
15 couldn't give you any details on it. My
16 understanding from Steve is that it went very well.
17 There was a very good relationship between us and
18 SCANA, and even us and Westinghouse at the time we
19 were doing the licensing.

20 Q. In -- in the -- in a licensing scenario,
21 when an entity like SCANA is applying for a license,
22 does the owner choose whether they're going to
23 proceed Part 50 or Part 52?

24 A. Yes.

25 Q. And in this instance, do you know which

1 choice the owner made, whether to proceed under
2 Part 52 or Part 50?

3 A. Part 52.

4 Q. Okay. Part 52 is a combined operating
5 license, hence COLA. Correct?

6 A. Yeah. "COLA" stands for Combined
7 Operating License Application, so -- yes.

8 Q. And the significance in that difference is
9 that under the old way, under Part 50, you would
10 first apply for a construction license, and then you
11 would later apply for your nuclear licensing; isn't
12 that -- at 50,000 feet, isn't that about the way it
13 works?

14 A. Yeah. Two-step process for approval:
15 Approval to construct and approval to operate under
16 Part 50.

17 Under Part 52, you get both -- both of
18 those approval with one submittal and one public
19 comment period. So it reduces -- theoretically
20 reduces the risk of the -- of the operator, because
21 they don't have to go out for another submittal and
22 another public comment period on the license.

23 Q. What's the downside to the Part 52
24 process?

25 A. The downside to the Part 52 process is you

1 have to maintain alignment with the license while
2 you're designing and constructing the project. So it
3 requires a higher level of attention to those details
4 that are outlined in the license.

5 So if something evolves in the design for
6 you to actually move forward with it, you would have
7 to get a LAR -- or a Licensing Amendment Request --
8 approved to change the license to align with the
9 evolved design.

10 Same thing in construction: If you were
11 constructing the plant and there was something that
12 had to be modified from the design in the license in
13 order for it to be constructible, there would have to
14 be a LAR approved by the NRC in order to continue
15 moving on with the work, because you have to stay in
16 alignment with the license in process on a Part 52.

17 On a Part 50, you keep track of all that,
18 and then ultimately your operating license aligns
19 with the as-constructed and as-designed condition of
20 the plant.

21 Q. Those extra constrictures or extra
22 constraints on a Part 52 project, those would have
23 been known at the time a choice is made between
24 Part 52 and Part 50, wouldn't they have?

25 MR. GILMORE: Objection. Form.

1 THE WITNESS: I mean, as an owner, I would
2 take that into evaluation and recognize that I
3 would have to have some type of plan in place to
4 make sure I stayed ahead, so that it didn't
5 impact.

6 So it's not something that can't be
7 mitigated, and ultimately those are the
8 decisions that are weighed by an owner when
9 they're choosing the license path.

10 BY MR. SOLOMONS:

11 Q. But at the time -- at the time the choice
12 was made by the owner, between Part 52 and Part 50,
13 the difference between Part 52 and Part 50 was
14 certainly either known or knowable by the owner,
15 wasn't it? In this instance, in the V.C. Summer
16 application?

17 MR. CHALLY: Object to form.

18 THE WITNESS: Yeah. I mean, the -- the
19 owners understand the license. These are the
20 type of discussions that we have when we're
21 developing a license plan for a new plant. So
22 this is the kind of debate and discussion that
23 goes on when you're deciding which path to take.

24 BY MR. SOLOMONS:

25 Q. So if one of the -- if one of the

1 statements, that the reason the V.C. Summer project
2 was so far behind schedule was that the owners
3 couldn't appreciate the differences between the
4 Part 52 and Part 50 process in licensing, would that
5 be something you would disagree with?

6 MR. CHALLY: Object to form.

7 THE WITNESS: I don't -- I don't believe
8 that a major driver in the conditions that we
9 saw at -- at V.C. Summer were driven by SCANA
10 not understanding the difference between Part 50
11 and Part 52. So I guess I disagree with your
12 comment that -- that they did understand it.

13 BY MR. SOLOMONS:

14 Q. Forgive the silence, Mr. Troutman. I'm
15 actually trying to speed up, so I'm -- I'm going
16 through my list.

17 A. That's okay.

18 Q. There's a lot of this that has been
19 covered.

20 MR. GILMORE: And we appreciate that.

21 BY MR. SOLOMONS:

22 Q. One of the things that we discussed at --
23 at length was the process in the assessment where a
24 series of drafts were -- were created and submitted.
25 The reason that those drafts were submitted were to

1 ensure that the factual underpinnings for the
2 assessment was correct? Is that why they were
3 submitted to the owner?

4 A. Our -- our general process for doing
5 studies or assessments is that we complete the
6 internal review and approval process and then send it
7 to the customer as a draft for their comment. Once
8 their comments are incorporated, we typically take
9 the report to final.

10 Q. Those comments are not solicited, because
11 Bechtel fails, in this instance, that SCANA or the
12 attorney that it was being submitted to has more
13 expertise in nuclear construction than Bechtel,
14 correct?

15 MR. CHALLY: Object to form.

16 THE WITNESS: They're the -- they're our
17 customer. It's to get our customer's input to
18 the final product.

19 BY MR. SOLOMONS:

20 Q. I understand. And wouldn't you agree that
21 Bechtel has more expertise in nuclear construction
22 than SCANA?

23 MR. CHALLY: Object to form.

24 THE WITNESS: I would generally agree with
25 that.

1 BY MR. SOLOMONS:

2 Q. And wouldn't you agree, certainly, that it
3 had more experience -- expertise and experience in
4 nuclear construction than any outside counsel?

5 MR. CHALLY: Object to form.

6 THE WITNESS: I'm speculating that that is
7 true. I don't know their outside counsel and
8 how much of their experience. I know we had
9 significant experience applied to this effort of
10 ours, so . . .

11 BY MR. SOLOMONS:

12 Q. Okay. How about this: Would you agree
13 that Bechtel has more experience and expertise in
14 establishing a date of completion for a nuclear
15 project than SCANA?

16 MR. CHALLY: Object to form.

17 THE WITNESS: I would agree with that.

18 BY MR. SOLOMONS:

19 Q. And would you agree with me that Bechtel
20 has more expertise and experience in construction
21 scheduling than SCANA?

22 MR. CHALLY: Object to form.

23 THE WITNESS: I would agree with that.

24 BY MR. SOLOMONS:

25 Q. You talked about the fully integrated

1 schedule. There was a good bit of discussion about a
2 fully integrated schedule. Do you remember that
3 discussion?

4 A. Earlier today?

5 Q. Yes, sir.

6 A. Yes, I do.

7 Q. Is -- what portion or what role does it
8 play when the design for the project is not complete?
9 Does that -- does that serve as an obstacle to having
10 a fully integrated schedule?

11 A. No, not a -- not an obstacle to having a
12 schedule. The -- in fact, when the design isn't
13 complete, when there's overlap between design,
14 procurement, and construction, that's the most
15 important place to have an integrated schedule,
16 because then there is more apt to be a condition
17 where construction is driven by logic that runs
18 through an issuance of a design.

19 In a design, bid, build project, you
20 completely design the plant. You go and bid out for
21 someone to build it, and then they build it. So
22 there is really no integrated schedule between
23 engineering and construction, because the design was
24 completed.

25 Where the integration point is very

1 important is when the design is overlapping with the
2 construction. That's when you have to have a fully
3 integrated schedule.

4 Q. So in an instance like this, when we have
5 a first-of-its-kind product being built, it is more
6 important than normal for there to be a fully
7 integrated schedule?

8 MR. CHALLY: Object to form.

9 THE WITNESS: The importance is because
10 the design wasn't complete yet. And because the
11 design was not complete, the remaining design
12 should have been in the schedule, logically
13 tied, so that we could understand how it drove
14 the work.

15 If you don't have that visibility in the
16 schedule, it's very difficult to understand how
17 that design is going to impact your ability to
18 build.

19 BY MR. SOLOMONS:

20 Q. And so -- I'm sorry if I'm being too
21 elementary; but if that's the case, in the situation
22 like that existed at V.C. Summer, a fully integrated
23 schedule's importance is amplified?

24 MR. CHALLY: Object to form.

25 THE WITNESS: I agree with that statement.

1 BY MR. SOLOMONS:

2 Q. Is a fully integrated -- in -- in the
3 situation like the -- what existed at V.C. Summer, is
4 a fully integrated schedule's existence necessary to
5 reasonably control cost and completion date?

6 MR. CHALLY: Object to form.

7 THE WITNESS: The integrated schedule
8 would drive -- having an integrated schedule
9 would make it easier to -- easier to predict the
10 end date. It -- it would help you make cost
11 decisions, because it may help you decide to not
12 bring craft in earlier because that part of the
13 work isn't assigned yet.

14 It's a complicated situation, as you can
15 imagine.

16 BY MR. SOLOMONS:

17 Q. Didn't that --

18 A. So -- so it is better to have an
19 integrated schedule. It gives you a -- gives you a
20 better dashboard.

21 Picture it like your car. If you have
22 that, you have all of the dials, not just an idiot
23 light. So there's not just a red light to go on.
24 Instead, you know where everything is, because it
25 would be fully integrated into the schedule.

1 If you didn't have it in there, all you'd
2 have would be an idiot light yelling back at you, and
3 a bunch of construction people saying, "We don't have
4 our design yet."

5 So all you have is a light. It's not
6 smart. It's a perfect analogy to an idiot light
7 versus having a dashboard that's actually telling you
8 where things are.

9 Q. Okay. And -- and when Bechtel did its
10 assessment, it saw some of those very same things
11 you're talking about, an inconsistent presence of
12 labor versus what was actually needed on site, isn't
13 it?

14 A. Yes, we did.

15 Q. In either the licensing portion of the
16 work or in the assessment, more particularly in the
17 assessment, did Bechtel review the EPC contract?

18 A. We did not -- we were not assessing the
19 contract. Any reference in our -- in our discussion
20 in the report related to the contract was only
21 because, you know, the -- the -- in -- the claiming
22 back and forth between Westinghouse and CB&I was
23 extremely evident on the ground, that they were, you
24 know, in disagreement with each other on and in the
25 middle of claims with each other.

1 So it was a difficult environment that we
2 observed. It wasn't something that we read in a
3 contract somewhere. It was evident on the ground as
4 we were at the project.

5 Q. When -- when Bechtel observed that the
6 owners were not -- the owners are reluctant to
7 exercise their contractual rights with the
8 consortium, and as a result, there doesn't appear to
9 be any positive or negative consequences to influence
10 project performance, what did Bechtel base that
11 observation upon?

12 A. We saw SCANA and Santee Cooper taking a
13 position of -- a hands-off position of managing the
14 consortium where, you know, they used the words, you
15 know, "Because we have this fixed price component to
16 our contract, we don't want to, you know, mess up,
17 you know, any protection we may have on that."

18 And as a result of them taking that
19 stance, they actually missed the opportunity that
20 they did have under the contract with the consortium
21 for them to have hands on when performance wasn't --
22 wasn't as promised.

23 And so in our view, there was -- there
24 could be significant interaction by the owners with
25 the consortium without breaching the protection that

1 they had under the -- other protections that they had
2 under the contract.

3 Q. Since we referenced it . . .

4 (Exhibit 6 was marked for identification.)

5 BY MR. SOLOMONS:

6 Q. Mr. Troutman, I've handed you what has now
7 been marked as Exhibit Number 6 for your deposition.
8 This is the document I was referencing and the
9 language that I read into the record. What is this
10 document?

11 A. So in the -- as we were performing the
12 assessment, we had, you know, these -- we use these
13 forms for the team to identify observations,
14 recommendations, those type of things.

15 So what you're seeing here is an input
16 into the report written by -- initiated by Dick
17 Miller. He was leading the evaluation of project
18 management. And this observation was as you just
19 stated into the record.

20 And then the recommendations are areas
21 where -- where we believe that the owner could get,
22 as we say, into the shorts of the -- of the
23 consortium and drive behavior without breaching the
24 protection that they have under the contract.
25

1 BY MR. SOLOMONS:

2 Q. And the Dick Miller that we're referencing
3 is the same Dick Miller who we looked at his colorful
4 e-mails a little earlier?

5 A. Same Dick Miller, yes.

6 Q. Okay. At the time that the application
7 was made and this project was initiated, were there
8 other designs available to SCANA and Santee Cooper
9 that were not first-of-their-kind designs?

10 MR. CHALLY: Object to form.

11 THE WITNESS: I don't know if they
12 considered any of the other Gen 3+ reactors.
13 There are other designs. There's what's called
14 an ESBWR, boiling water reactor, as well as an
15 ABWR, an advanced boiling water reactor, and
16 an EPR.

17 So there are other designs. I don't know
18 which designs SCANA considered. You'd have to
19 ask them.

20 BY MR. SOLOMONS:

21 Q. Okay. You talked with Mr. Richardson
22 about the concept of critical path. And am I
23 accurate in stating that the critical path of a
24 project is the shortest path necessary to complete a
25 project?

1 A. It's actually a longest path.

2 Q. Okay.

3 A. The critical path is the -- is the tight
4 path to the finish, the one that doesn't have any
5 float in it. So you have a logic network. It's all
6 tied together. One path is going to be one that
7 drives the end date. That is the critical path. So
8 it's actually the longest path to completion.

9 Q. Yes.

10 A. In a strange way.

11 Q. You're -- you're right. And so the -- so
12 you -- you mentioned there is no float in the
13 critical path.

14 A. That's correct. That critical path is --
15 when unconstrained, it doesn't have positive or
16 negative float. It just gives you the duration of
17 time it takes to get to the finish line.

18 Sometimes you may, for a contractual
19 standpoint, constrain or pin the finish date, and
20 then measure float against that, which you could have
21 positive or negative float against a particular
22 contract date. It wouldn't be constrained. It would
23 just be -- have a pin there that would measure float
24 against it.

25 But in general, the critical path doesn't

1 have any float. It's the longest path to complete.

2 Q. So -- and maybe I'm confusing two
3 different concepts, but there is also this concept of
4 sort of a chain of events, none of which can occur
5 before the previous one.

6 So, for example, to use a really simple
7 example, the -- if I pour a foundation, I can't build
8 my framing for my house before I poured my
9 foundation.

10 A. Yeah, that would be like a logic tie, like
11 a predecessor or successor. So that's a
12 relationship, yeah.

13 Q. When I say "critical path," does critical
14 path embrace that concept, or is it something more?

15 A. It is actually something more. I mean,
16 all these relationships within a schedule network
17 have this predecessor-successor relationship. The
18 predecessor has to happen before the successor
19 activity can happen.

20 But as you can imagine, when you have
21 thousands of activities, tens of thousands of
22 activities, in a -- in a schedule, they're very
23 complex. So in the midst of all of that, there is
24 one single path that has a predecessor-successor
25 string through the whole plant that is driving a

1 milestone that says, "We're done."

2 That is the critical path. So it's a
3 string of these relationships that you're talking
4 about, going through the schedule.

5 Q. And if you -- if you affect something at
6 the -- in the very early portion of the project that
7 is along the critical path, does that have a
8 necessary trailing effect to the remainder of the
9 critical path?

10 A. If it is an activity on the critical path
11 and it goes longer, by definition, if you have a
12 sound critical path, the date's going to push out.

13 Q. Okay.

14 A. But you could have dates that are other
15 places in the network, that get done earlier or
16 later, that could maybe not affect it at all.

17 Q. Yeah. To use simple examples, I had
18 someone explain to me, it's like you -- you have this
19 necessary relationship with the foundation and the
20 framing, but you can put your dishwasher in just
21 about anytime. Is that what you mean, that there
22 are -- there are events out there --

23 A. Yeah.

24 Q. -- that can happen along a chain -- or,
25 I'm sorry. There's much more float?

1 A. Right, yeah. There's -- by definition,
2 there's float.

3 Q. Right. So in the mitigation efforts
4 for -- for situations in which the critical path has
5 become impacted, would you agree with me that there
6 are limitations on mitigation efforts based on the
7 type of and environment of the work?

8 So, for example, if you have something
9 inside of a building, and only 20 people can fit in
10 that building, it's a nonsensical approach to act
11 like you could put 100 people in there and make up
12 five times the amount of time?

13 MR. CHALLY: Object to form.

14 THE WITNESS: Your example is correct.
15 You could work, however, around the clock, which
16 would -- which would gain you some. You could
17 have multiple shifts of just the amount of
18 people that could fit in that room and mitigate
19 some of that critical path.

20 That is some of the way that we -- that we
21 mitigate critical path. Other things that you
22 do is you look at something that's out in the
23 future, that you may be able to do some
24 preassembly on.

25 It's kind of the modular -- we'll use your

1 home-building concept. So, okay, if I
2 modularize that, and I now have that part of the
3 house put together down the road, and they bring
4 it up here on a truck, and all I have to do is
5 when I get to that point, my foundations are in
6 and my utilities are stubbed up, and I can just
7 set it into place, I can affect the critical
8 path by shrinking the amount of time that was
9 originally in there to stick-build that piece of
10 work.

11 So there are some things that you can
12 mitigate in the critical path, but there are
13 some that you can't. You can't -- generally
14 can't make concrete cure faster. You can't put
15 more people in the room than you have room for,
16 beyond being able to work it around the clock,
17 those types of things. So . . .

18 BY MR. SOLOMONS:

19 Q. And -- and one of the things you also
20 mentioned is this concept of the -- the advantage of
21 modular process.

22 A. Yeah.

23 Q. One of the AP1000 selling points was being
24 able to take advantage of modular process here in the
25 United States, wasn't it?

1 A. Yes.

2 MR. CHALLY: Object to form.

3 BY MR. SOLOMONS:

4 Q. And then what bore itself out on the
5 V.C. Summer site was there was less and less work, it
6 seemed, being done in -- in the modular format, and
7 more and more work having to be done on site. Isn't
8 that correct?

9 MR. CHALLY: Object to form.

10 THE WITNESS: There were problems with the
11 module yards, many driven by late design,
12 that -- that in some cases caused a decision by
13 the consortium to ship the module to the site
14 even though it wasn't done, which obviously is
15 then putting work back on the site.

16 And then there were also quality problems
17 with the fabrication of the modules in some
18 cases, where they couldn't get them to fit
19 together.

20 So there was a number of supply chain
21 issues with modules that had been plaguing the
22 project to date when we did the assessment.

23 BY MR. SOLOMONS:

24 Q. You also talked a little bit about
25 performance factor. And one of the things you -- you

1 talked about this most, I believe, in the concept of
2 what Bechtel chose to use as its performance factor
3 as part of its assessment.

4 And correct me if I misstate this, but I
5 believe what you said was "We chose not to use
6 historical on site, the on-site historical, and we
7 chose not to use what Westinghouse had promised what
8 the going-forward was. And instead, what we used was
9 a PF that Bechtel had obtained in a number of other
10 places," that you saw as a realistic PF going
11 forward.

12 A. Yeah. We used the mean from a number of
13 projects that we actually completed, and we felt that
14 that was the best way to come up with a result that
15 we could defend, because we had actually performed.

16 That way we thought the -- using the
17 historical performance on site could be overly
18 conservative, because there were a number of
19 significant issues early on in the project that it
20 appeared that the consortium was beginning to
21 overcome. However, selecting their to-go performance
22 was -- didn't seem appropriate, because it was
23 extremely aggressive and steep curve that we didn't
24 think -- actually we knew we had not performed at.
25 So we -- at that point thought it best to use our

1 historical data of what we performed.

2 Q. And I think that for the jury, for now,
3 because we got confused about those terms, let's
4 just -- let's you and I use the terms it's going to
5 take longer, or it's going to be shorter, or it's
6 going to be more expensive, or it's going to be
7 cheaper. Because the conservative/aggressive stuff,
8 I think we were getting used -- it was being used in
9 ways that didn't match one another.

10 So one of the things you just said was "We
11 felt like they had put some controls in that may
12 positively affect the performance factor, which would
13 allow it not to take as long to be built."

14 A. As it had in the -- before the assessment.

15 Q. If you use the historical performance
16 factors on site?

17 A. I agree with that statement.

18 Q. Okay. So I'm going to --

19 MR. SOLOMONS: If you will mark that.

20 (Exhibit 7 was marked for identification.)

21 BY MR. SOLOMONS:

22 Q. Now, this has been marked as Exhibit
23 Number 7. And you should have been given a cover
24 page, which shows you where this came from. This was
25 produced in the litigation in South Carolina.

1 And if you turn to page 10 -- to pages
2 number 10, you just -- you should just have three
3 pages. We didn't give you the whole --

4 A. I have page 1, page 9, and page 10.

5 Q. You have what you're supposed to have.

6 A. Okay.

7 Q. You stated, I believe, that Bechtel did
8 its assessment based upon the months that predated
9 August or September of '15.

10 A. I -- if my memory serves me correct, I
11 think the data set that was given us was through the
12 end of July.

13 Q. Okay.

14 A. I think --

15 Q. So July --

16 A. -- was the data set, yeah.

17 I -- so I apologize if I misspoke, but I
18 think -- I think that's what I said earlier today.
19 It was data through July -- through the end of July,
20 I think, was the report.

21 I think it actually states it in that --
22 in the daily reports, or the weekly reports, in
23 the -- the assessment. I think it says what the data
24 set was.

25 Q. And I understand why, if being told that

1 some controls had changed, Bechtel may believe that
2 the PF was on the -- was going to improve. But if
3 these are the overall average PFs from the time
4 you -- let's say July '15 to November '16, the PF
5 never improves, does it?

6 MR. CHALLY: Object to form.

7 THE WITNESS: Certainly on this data set
8 here, it never improved from January of '15 to
9 November of '16.

10 BY MR. SOLOMONS:

11 Q. And the reality is that had you used the
12 historical data in July of '15, and that had been
13 submitted, say, in March of '16, you already would
14 have been substantially lower than what the actual PF
15 was, correct?

16 MR. CHALLY: Object to form.

17 THE WITNESS: To use your words from
18 before, "cheaper."

19 BY MR. SOLOMONS:

20 Q. Cheaper. Yeah. Because what was
21 happening is the PF was getting worse and worse and
22 worse, which would make the project take longer and
23 cost more?

24 A. That's correct.

25 Q. And the -- the historical data that had --

1 even if -- even if Bechtel had chosen to use the
2 historical data and not the data from other sites,
3 even if it had chosen to use the historical data, it
4 still would be lower than what the actual was by the
5 time the report came out?

6 A. Cheaper, yes.

7 Q. Cheaper. It would still be cheaper?

8 A. Cheaper and shorter.

9 Q. It would still be cheaper and shorter,
10 that's right.

11 MR. GILMORE: We've been going a little
12 over an hour. Time to take a short break.

13 MR. SOLOMONS: Yes, we can take a short
14 break. And hopefully I won't be much longer.

15 VIDEOGRAPHER: We are going off the record
16 at 4:34.

17 (A recess transpired from 4:34 p.m. until
18 4:45 p.m.)

19 VIDEOGRAPHER: We are back on the record
20 at 4:45.

21 (Exhibit 8 was marked for identification.)

22 BY MR. SOLOMONS:

23 Q. Mr. Troutman, when -- when we broke, we
24 were talking about the effects of the use of a higher
25 productivity factor, and how that may affect making

1 the project take longer and cost more.

2 And so I have put in front of you now
3 what's been marked as plaintiffs' -- or Exhibit 8. I
4 don't know if it's plaintiffs' 8. It's Exhibit 8.
5 This is a document that was generated in January of
6 '15, so prior to Bechtel's assessment of the
7 V.C. Summer project.

8 I first wanted to ask you, was this
9 document ever given to you, or have you ever seen
10 this document?

11 A. We have seen this report. It would have
12 just been in a newer form. This is their direct hire
13 productivity report. We had the July version in the
14 reading room and is what we based our, you know, the
15 assessment on.

16 So yes, I've seen this format and this --
17 and this report, just -- haven't necessarily seen
18 January 2015, but I've seen July 2015. It's not a
19 lot prettier.

20 Q. So -- at the bottom of this report, there
21 is something labeled "Ken's Analysis." And I will
22 tell you that Ken is Ken Browne.

23 Did you speak to Ken Browne as part of
24 your assessment?

25 A. I don't remember, only because I didn't do

1 the interviews myself. I -- we may have.

2 Q. He uses a period productivity factor
3 of 2.74 and then extrapolates that out over the
4 course of the project. As a result, he says, if we
5 keep going at this rate, it's going to take us
6 26.5 years to finish this project.

7 Do you remember, did anyone when you
8 all -- when Bechtel was given the July report,
9 similar -- did anyone do a similar analysis like
10 this?

11 A. So -- so this analysis is a -- is kind of
12 the relatively flat line that was in the earlier
13 exhibit -- I don't remember which number it was --
14 that showed the two analyses, one showing if it
15 just -- things just never got better, it was like a
16 straight-line extrapolation. This 26-year looks like
17 the straight-line extrapolation. We did not do a
18 straight-line extrapolation.

19 Q. Okay.

20 A. Because the -- we did not feel that that
21 was an appropriate assessment on -- on where the
22 project would go, and that -- and again, I said
23 earlier, we didn't use that. We didn't use the
24 incredibly steep curve that showed everything really
25 going wonderful to the end, to make the schedule. We

1 used our historical experience.

2 Q. Well, in order for the -- if you go back
3 to the exhibit we were looking at before.

4 A. Exhibit 7?

5 Q. Yes, sir.

6 In order for that number to be going up,
7 month after month, which this is the average, then
8 the months we are incurring have to be worse than the
9 previous months, correct?

10 A. That is correct. If this is -- and I'm
11 gathering that this is cumulative. So this is not
12 the direct performance that -- that month, but
13 instead is showing you the change in cumulative
14 performance over the project.

15 That would have meant that in order for
16 the -- we'll take an example that you gave. The --
17 the -- in order for April to be 1.6 against March's
18 1.57, it would have had to be worse than 1.6, because
19 it's actually driving the cumulative up. So that
20 means it's dragging all the work before it up to a
21 higher number along with it.

22 So your -- your assumption is correct.

23 Q. And, in fact, if you take a look on
24 that -- that same chart, and then look at
25 plaintiffs' 8, the actual monthly for January 15 was

1 not 155. It was 2.74?

2 A. That's correct. You're -- you're reading
3 that correctly.

4 Q. Okay. And as we -- the last figure
5 reported here is 2.02. Do you recall what the --
6 what the PF was for the projection that Bechtel used?

7 A. I don't remember. I'd have to go to the
8 report.

9 Q. That's fine. A few more questions. I
10 want to try and ask you a few questions about
11 standard of care.

12 Does -- does an owner of a project have a
13 responsibility to reasonably administer the terms of
14 the contract?

15 MR. CHALLY: Object to form.

16 THE WITNESS: I guess, yeah. I mean, I'm
17 not an owner. I'm a contractor. But as
18 contractors, we have a standard of care that
19 requires that we, you know, manage within the
20 confines of our contract, et cetera.

21 BY MR. SOLOMONS:

22 Q. Does someone -- does anyone who is tasked
23 with ultimate responsibility of a site have a duty to
24 oversee the construction according to the applicable
25 standard of care?

1 MR. CHALLY: Objection to form.

2 MR. GILMORE: Yeah, objection. Form.

3 Foundation.

4 THE WITNESS: I think they should.

5 BY MR. SOLOMONS:

6 Q. Okay. As it relates to the construction
7 of a nuclear plant, is there a standard that a
8 manager should meet in executing their duties?

9 MR. CHALLY: Object to form.

10 MR. GILMORE: Objection. Form,
11 foundation.

12 THE WITNESS: I mean, we have specific
13 standards and expectations, rules and
14 responsibilities for our team, so I would
15 imagine the owners would have the same.

16 BY MR. SOLOMONS:

17 Q. Does -- are there industry standards in
18 how one would account for costs on a project?

19 MR. CHALLY: Object to form.

20 MR. GILMORE: Objection. Form,
21 foundation.

22 THE WITNESS: There are American Society
23 of Cost Engineer standards for -- for how you
24 account for things. So there are accounting
25 standards.

1 I really don't know how to -- how to
2 answer your question specifically, you know,
3 they -- whether they apply as -- in the broad
4 way that you're applying it. I -- I don't know.

5 BY MR. SOLOMONS:

6 Q. I understand. One of the things I'm
7 trying to determine is, is there standards or guides
8 out there that would say, if you hit X percentage of
9 cost overrun, you need to be taking these steps?

10 A. I don't know that there is any standard or
11 guide, but -- out there that would tell you that.
12 But as a project management principle, you know,
13 managing and controlling the cost is, you know, one
14 of the -- one of the major, you know,
15 responsibilities and accountabilities for the project
16 manager.

17 Q. Are there ever instances, when taking into
18 account cost overruns and delay, where the proper
19 thing to do is say, "We should -- we should mothball
20 this project"?

21 MR. CHALLY: Object to form.

22 MR. GILMORE: Objection. Form,
23 foundation.

24 THE WITNESS: I don't -- there's so many
25 things -- so many variables would fall into a

1 decision like that. I don't think it's that
2 simple.

3 BY MR. SOLOMONS:

4 Q. I understand. Do you believe, if an
5 owners' engineer had been employed from the inception
6 of this project, that there would have been
7 significantly more project controls on site?

8 MR. CHALLY: Object to form.

9 MR. GILMORE: Objection. Form,
10 foundation. Asked and answered.

11 THE WITNESS: I -- I think that having a
12 -- an owners' engineer doing independent
13 analysis of both cost and schedule performance
14 and where the hard spots are would have
15 absolutely, you know, given -- given SCANA and
16 Santee Cooper a -- another set of data by which
17 to make decisions on.

18 Ultimately they also have to consider the
19 form of contract that they have with the
20 consortium, but they would have had additional
21 data to make decisions on.

22 BY MR. SOLOMONS:

23 Q. You stated that Bechtel, in its
24 assessment, provided a list of reasonable mitigation
25 strategies, correct?

1 A. Yeah, we had some recommendations and
2 observations in a -- on a go-forward plan to -- some
3 applying to the owner, some applying to the
4 consortium.

5 Q. Were the strategies recommended reasonable
6 and customary to a reasonable degree of construction
7 engineering or design?

8 MR. CHALLY: Object to form.

9 THE WITNESS: In our professional opinion,
10 making those changes would have improved the
11 trajectory of the project.

12 BY MR. SOLOMONS:

13 Q. And what I'm asking is, to a reasonable
14 degree of certainty, in -- as someone with the
15 experience you have in construction, engineering, and
16 design, were the mitigation strategies that were
17 recommended, one, possible to be done, and two, the
18 best practices?

19 MR. CHALLY: Object to form.

20 THE WITNESS: To your first question, they
21 were possible to be done.

22 To your second question, they were
23 directly from things that we had done on other
24 projects where there were performance challenges
25 that ultimately turned them around. So we had

1 had experience seeing turnaround with those
2 actions in the past.

3 MR. SOLOMONS: I think that's all I have.
4 Thank you, Mr. Troutman.

5 EXAMINATION

6 BY MR. CHALLY:

7 Q. Mr. Troutman, my name is Jon Chally. I'm
8 one of the lawyers representing SCANA and SCE&G in
9 this case. I've got a -- a number of questions for
10 you today. Okay?

11 A. Okay.

12 Q. First, I believe you discussed with
13 Mr. Richardson that you were aware generally of ORS's
14 role in relationship to the project; isn't that
15 right?

16 A. Yeah. Yes; I'm sorry.

17 I'm starting to lose my voice; I
18 apologize. I'll try and speak up.

19 Q. No worries. In fact, we'll just go ahead
20 and say, as I start my questioning, reiterate some of
21 the rules that we talked about before: Any time you
22 need a break, let me know; we'll take a break.

23 But the most important one that I just
24 want to make sure you're reminded of is that if at
25 any point you don't understand one of my questions,

1 tell me, and I'll do my best to fix it. But if you
2 don't tell me that you don't understand my question,
3 is it fair that we can all agree that you properly
4 understood my question and were able to answer it?

5 A. Yes.

6 Q. All right. So you're aware, as I think
7 you just said, that -- of ORS's role over the project
8 generally; isn't that right?

9 A. Yes.

10 Q. And you were aware, were you not, of ORS
11 actually being on the site --

12 A. Yes.

13 Q. -- of V.C. Summer?

14 A. Yes, we were.

15 Q. And I believe you said that you may have
16 met some folks from the ORS at some point?

17 A. Yeah. I do believe that Steve might have
18 introduced me to them.

19 Q. Okay. I'm just going to give you a couple
20 names to see if you recall meeting any of these
21 individuals. Do you recall meeting Gene Sult?

22 A. I don't -- I don't remember. I -- I don't
23 think I would have remembered their names.

24 Q. Okay.

25 A. I was probably on a -- Steve was probably

1 taking me on a walkaround, and said, "Oh, here's" --
2 you know, "Here's these folks."

3 Q. Do you remember talking with the ORS about
4 the assessment Bechtel was doing in any way?

5 A. No, it was really much more of an
6 introduction, from what I remember. I -- we didn't
7 have any sitdown with them on the assessment, I don't
8 believe. Not that I remember.

9 Q. Okay.

10 A. Not that I recall.

11 Q. So do you -- you do recall, though, do you
12 not, that Bechtel employees were involved in meetings
13 that also involved ORS individuals; isn't that right?

14 MR. GILMORE: Objection. Form,
15 foundation.

16 THE WITNESS: I -- they may have been in
17 some of the meetings. I -- I don't remember.

18 BY MR. CHALLY:

19 Q. Okay. I want to make sure I understand,
20 that we understand the full scope of Bechtel's
21 experience with constructing nuclear reactors of the
22 AP1000 design. So we have the experience that we've
23 talked about today with the V.C. Summer project. We
24 will talk about, at some point today, the Vogtle
25 project.

1 But I'd like to know from you Bechtel's
2 remaining experience in nuclear construction projects
3 of the AP1000 design.

4 A. We've never constructed an AP1000 --

5 Q. Okay.

6 A. -- project before this -- before our
7 experience on V.C. Summer and Vogtle.

8 Q. Okay. Fair enough. In the United States,
9 over the last 20 years, can -- how many nuclear
10 reactor construction projects has Bechtel been
11 engaged in?

12 A. We've been engaged in the -- did you say
13 in the U.S.?

14 Q. In the U.S.

15 A. I think it's 20 completed projects.

16 Q. 20 completed projects. Okay. What about
17 since 2000?

18 A. Since 2000? Watts Bar.

19 Q. Okay.

20 A. It's the only nuclear project that's
21 completed in the U.S. in the Millennium.

22 Q. Okay. So we'll talk a little bit about
23 Watts Bar later today as well.

24 Now, have you ever -- and when I say "you"
25 throughout the day today, I am intending to reference

1 Bechtel; but if at any point you need to narrow that
2 to your own personal experience, just let me know.

3 Okay?

4 A. Okay.

5 Q. So are you --

6 MR. GILMORE: Before you begin, I'm just
7 going to object. I mean, Mr. Troutman is here
8 testifying in his personal capacity. He's not
9 been designated as a Rule 30(b)(6) witness on
10 behalf of Bechtel. So I think, if you are
11 asking him "you," I think that you should -- and
12 I think Mr. Troutman should -- will be answering
13 in his personal capacity.

14 If you want to ask what he knows about
15 others, you know, that Bechtel had done -- other
16 things that Bechtel had done or other people at
17 Bechtel, I think it would be smart to ask him
18 that way, just so there's clarity about the
19 scope of his knowledge and his answers.

20 MR. CHALLY: Okay. Will do my best.

21 BY MR. CHALLY:

22 Q. Have you, personally, Ty Troutman, ever
23 been hired as an expert in litigation?

24 A. No, I have not.

25 Q. Okay. Are you aware of Bechtel -- as you

1 sit here today, are you aware of Bechtel being hired
2 as an expert in litigation?

3 A. I don't know if we have. I have not,
4 yeah.

5 Q. You are aware, though, are you not, that
6 experts are often hired in litigation, right?

7 A. I'm aware of that.

8 Q. And including in connection with
9 construction disputes, right?

10 A. Yes, I'm aware of that.

11 Q. But that's just not your area of
12 expertise, right?

13 A. It's not my area of expertise, that's
14 correct.

15 Q. So you're not familiar with whether
16 your -- whether Bechtel's report could be used
17 against the owners in a dispute with Westinghouse,
18 are you?

19 MR. GILMORE: Objection. Form,
20 foundation.

21 THE WITNESS: I guess it could be.
22 BY MR. CHALLY:

23 Q. Guess it could be, but that's just not
24 something you've ever dealt with before, right?

25 A. (Moving head from side to side.)

1 Q. Okay. So then you aren't aware, and when
2 you were preparing, when Bechtel was preparing the
3 report, weren't able to appreciate the importance of
4 that issue to any of the owners, were you?

5 MR. GILMORE: Objection. Form,
6 foundation.

7 THE WITNESS: I mean, I was involved with
8 discussions with the -- the owner, when they
9 told us that they were concerned about potential
10 litigation with the -- with the consortium.

11 BY MR. CHALLY:

12 Q. So --

13 A. And so -- so I was engaged in -- in
14 discussions like that.

15 Q. Fair enough. So you knew, then, did you
16 not, that the owners were engaging Bechtel in
17 anticipation of a dispute with the consortium?

18 A. It was actually written as part of the
19 agreement.

20 Q. Okay. But other than knowing that that
21 was the purpose for the engagement, you aren't
22 familiar with the scope of that concern on the
23 owners' perspective; is that right?

24 MR. GILMORE: Objection. Form,
25 foundation.

1 BY MR. CHALLY:

2 Q. You'd just never dealt with that kind of
3 thing before?

4 A. Yes, that's correct.

5 Q. All right. Fair enough. You said earlier
6 that you -- there had been a falling-out between
7 Bechtel and Westinghouse over Bechtel's involvement
8 in constructing nuclear plants under the AP1000
9 design in China. Is that right?

10 A. That's correct. I did speak of that.

11 Q. And generally, just to make sure I
12 understand, was it discussed among Westinghouse and
13 Bechtel the possibility of Bechtel being involved in
14 a consortium for construction of those plants in
15 China?

16 A. That's correct. That's what -- that's
17 what it was around.

18 Q. And ultimately, Bechtel was not included
19 in that constructor role; is that right?

20 A. Yeah. We ultimately did not agree to be
21 part of that team.

22 Q. Okay. All right. Now -- and so what --
23 at what time did this occur, to your memory, this
24 falling-out?

25 A. It would have been right around the time

1 of the V.C. Summer and Vogtle -- would have been
2 ahead of the construction starts, because it was
3 actually just prior to the -- to the commencement of
4 the work in -- in China. So it would have been
5 several -- several years before the V.C. Summer and
6 Vogtle start. A year -- year or two before --

7 Q. Okay.

8 A. -- start of work there.

9 Q. I want to spend a little bit of time
10 talking about how Bechtel came to be engaged to do
11 the assessment, okay? And my questioning today will
12 be focused exclusively on Bechtel's engagement in the
13 assessment. It won't be focused on other Bechtel
14 work associated with the project. Okay?

15 A. Okay.

16 Q. All right. So Bechtel had a connection to
17 Santee Cooper that facilitated Bechtel obtaining a
18 role on the project; isn't that right?

19 MR. GILMORE: Objection. Form,
20 foundation.

21 THE WITNESS: A member of the board of
22 Santee Cooper knew Mike Adams, or there was some
23 connection there. And it was discussions there
24 that actually begat the initial meeting with
25 Mike Adams, Craig Albert, and, you know, Lonnie

1 and Mike and others.

2 BY MR. CHALLY:

3 Q. Who is Mike Adams?

4 A. Mike Adams was the -- at the time was the
5 CFO of Bechtel Group.

6 Q. Okay. Do you know who Bill Finn is?

7 A. I don't remember the name. I mean, it
8 doesn't stick out in my mind.

9 Q. Does it -- would it surprise you to hear
10 that Bill Finn was the member of a Santee Cooper
11 board that had a relationship with Mike Adams?

12 MR. GILMORE: Objection to form.
13 Foundation.

14 THE WITNESS: I just don't remember the
15 name.

16 BY MR. CHALLY:

17 Q. So -- so what was the full extent of your
18 understanding of the relationship between Mr. Finn --
19 or, excuse me, between Mr. Adams and a member of the
20 Santee Cooper board?

21 A. Just that Mike Adams had been contacted --
22 you know, that there was a discussion that, you know,
23 there may be an opportunity for Bechtel to help, and
24 so Mike called Craig. I actually heard -- would have
25 heard this from Craig Albert.

1 So Craig came to me and said: Hey, Mike
2 Adams had a discussion with somebody. I didn't
3 remember the name. So perhaps Mr. Finn. And -- "and
4 they think there might be some way for us to help
5 at -- at V.C. Summer. Let's start to put together
6 the package on -- of information on the V.C. Summer
7 project that would help inform some type of a meeting
8 at the CEO level with Santee Cooper.

9 Q. Okay. So Bechtel's first effort was to
10 try to put together materials for a meeting with
11 Santee Cooper; is that right?

12 A. Correct.

13 Q. Okay.

14 A. Yeah. That was the ask.

15 Q. And did you ever disclose to SCE&G the
16 discussions that you had with -- that Bechtel had
17 with Santee prior to SCE&G becoming aware of a
18 potential Bechtel assessment?

19 A. I don't know if I had any direct
20 discussions about -- about that meeting. But I will
21 tell you that I -- I very shortly after that started
22 engaging Steve Byrne and told him that there had been
23 discussions with Santee Cooper.

24 And I knew Steve Byrne from being engaged
25 with him on different nuclear industry boards, and

1 with NEI, and, you know, other things like that. So
2 I was comfortable talking to him.

3 I called him, and I said, "Hey, is there
4 some way that we can get engaged?"

5 So I started engaging with -- with Steve
6 Byrne. He was really my counterpart at SCE&G.

7 Q. Okay. Bechtel's first meeting with Santee
8 was in January of 2015; isn't that right?

9 A. That sounds correct, January, February
10 time frame.

11 (Exhibit 9 was marked for identification.)

12 BY MR. CHALLY:

13 Q. Okay. Mr. Troutman, I'm handing you what
14 I've marked as Exhibit 9 --

15 A. Okay.

16 Q. -- to your deposition.

17 This is an e-mail from Craig Albert to a
18 series of individuals. Looks like -- well, a series
19 of e-mail addresses: Lonnie Carter, Michael Crosby,
20 two e-mail addresses for them. And it cc's Mike
21 Adams, Ty Troutman, Marty Watson.

22 Do you see that?

23 A. Yes, I do --

24 Q. Do you remember --

25 A. -- see it.

1 Q. Do you remember getting this e-mail when
2 it was sent to you in February of 2015?

3 A. I remember this -- this kind of experience
4 package and -- and draft assessment approach. Yes, I
5 remember this.

6 Q. Who is Marty Watson?

7 A. I don't know. I don't remember.

8 Q. Was he a Bechtel employee?

9 A. I don't think so. I don't -- I don't
10 recognize the name.

11 Q. Okay. All right. So this e-mail follows
12 a meeting between Santee and Bechtel individuals on
13 January 24, right?

14 A. That's correct.

15 Q. At this time, either in the January 24
16 meeting or through the February 5 meeting, had
17 Bechtel had any conversations with anyone at SCE&G
18 related to the project, or the assessment of the
19 project?

20 MR. GILMORE: Objection. Form,
21 foundation.

22 THE WITNESS: I don't remember if we had
23 engaged SCE&G at this point.

24 BY MR. CHALLY:

25 Q. Is it fair to say that you were working

1 with Santee, Bechtel was working with Santee, to find
2 a role for Bechtel in the project?

3 MR. GILMORE: Objection. Form.

4 Foundation.

5 THE WITNESS: I would say that Santee
6 Cooper was interested in having us engaged on
7 the project to potentially help figure out what
8 was going on and whether there -- there was a
9 way to turn it around.

10 BY MR. CHALLY:

11 Q. And in sum and substance, the proposal you
12 were making to Santee is -- is similar to the actual
13 effort of the assessment that you were later engaged
14 to do; isn't that right?

15 A. Yes. If you look at the -- at the
16 assessment objective and the execution approach, it
17 very much is the earliest draft of that -- of that
18 assessment.

19 Q. So it -- it set -- it set forth the
20 compensation that Bechtel was -- believed
21 appropriate, a million dollars, right?

22 A. Yep.

23 Q. And it --

24 A. Yes, it did. Sorry.

25 Q. -- defined the time frame for the

1 assessment of eight weeks, right?

2 A. That's correct.

3 Q. Okay. And so you knew that way back in
4 January of 2015, that that was the role that Bechtel
5 was first trying to secure on the project, right?

6 A. Yeah, I specifically remember even leading
7 up to the meeting, because Craig wanted to know,
8 going to the meeting, you know, "What do you think it
9 would take to put people to the ground to do this?"

10 And -- and Dick and myself and Steve
11 Routh, a few others, sat down and, you know, "Hey, if
12 we could get the right data ahead of time, we could
13 probably do this in eight to ten weeks."

14 With a dozen, around a dozen people, and
15 be able to get deep enough to be able to know the
16 trajectory -- you know, give a range of outcomes with
17 the trajectory of the project.

18 Q. Okay. This January 24 meeting, do you
19 recall there being any representative SC -- of SCE&G
20 there?

21 A. I was not at the meeting. But I don't
22 believe anybody from SCE&G was there.

23 Q. Did anyone ever report to you what was
24 discussed at this meeting?

25 A. Yeah, Craig did report to me what was

1 discussed at the meeting. They talked about what our
2 qualifications were to come in and help, what we
3 thought we could do. Kind of brainstorm some ideas
4 on where we might be able to help.

5 Q. Okay.

6 A. And then, as a result of that meeting,
7 Craig asked me to put together this document, that he
8 was then -- intended to share with Lonnie as a
9 follow-up to the meeting.

10 Q. Did -- was -- was there any discussion at
11 this meeting of Bechtel's role beyond the assessment?

12 A. I don't believe so. I believe at this
13 time it was just what were the options to come in and
14 help. And I think generally it teed up that, you
15 know -- they may have said that, because I know from
16 the very beginning, Craig said, you know, "We are not
17 interested going in and taking over for Westinghouse
18 or for CB&I, have no interest. We just want to
19 figure out a way that we could -- we could help."

20 Q. Okay. But being an owners' engineer isn't
21 taking over for Westinghouse or CB&I, right?

22 A. Right. That wouldn't be. That's correct.

23 Q. All right. So being an owners' engineer
24 was -- was within the contemplation of Bechtel at the
25 time that it was pitching Santee to do its

1 assessment; isn't that right?

2 MR. GILMORE: Objection. Form.

3 Foundation.

4 THE WITNESS: Yes, absolutely. That would
5 be a -- a logical next step, if there was a need
6 for it.

7 BY MR. CHALLY:

8 Q. Okay. So do you -- there were discussions
9 within Bechtel about Bechtel being an owners'
10 engineer even as early as January of 2015; is that
11 right?

12 MR. GILMORE: Objection. Form,
13 foundation.

14 THE WITNESS: I mean, certainly that
15 winter, we did talk about what were the options
16 of us to come and help.

17 BY MR. CHALLY:

18 Q. Okay. And the first --

19 A. I just want to clarify one thing, though.

20 Q. Sure.

21 A. I mean, really, you know, Santee Cooper
22 asked us to get engaged. You know, you characterize
23 it as a pitch. We -- we came to the meeting, you
24 know, prepared to talk about V.C. Summer, but -- but
25 really with Santee Cooper asking us was there a way

1 that we could help.

2 Q. Did you -- were you reluctant to attend
3 the meeting?

4 A. I didn't attend the meeting.

5 Q. Well -- excuse me. I mean, was Bechtel --

6 A. No, we weren't.

7 Q. -- reluctant to attend?

8 A. No, we weren't.

9 Q. They -- they wanted the -- the work on the
10 assessment, right?

11 A. Yeah. We were interested --

12 MR. GILMORE: Objection. Form.

13 Foundation.

14 THE WITNESS: We were interested in
15 helping.

16 BY MR. CHALLY:

17 Q. Yeah. And you were -- and you wanted the
18 work of a potential owners' engineer; isn't that
19 right?

20 A. We wanted the project to be successful.
21 You know. We're not in the business of doing
22 assessments that we don't even get paid for the
23 amount of work we end up doing. It cost us more than
24 this million dollars to do this assessment.

25 The -- the most important thing out of

1 this was, we had two major projects on the back end
2 of V.C. Summer and Vogtle, that were Turkey Point 6
3 and 7 for Nextera and -- and at the time, it was
4 still spoke about as Project Green, ultimately became
5 known as Stewart County, for Georgia Power. Both of
6 them AP1000s, both of them multiunit sites. And --
7 and those projects were not going to go if
8 V.C. Summer and Vogtle did not finish.

9 Q. Okay. How much do you believe it cost
10 Bechtel to do the assessment?

11 A. I know that -- that we invested more than
12 the million dollars that we were paid --

13 Q. How much more?

14 A. -- in engagement. I -- I don't remember
15 the exact numbers.

16 Q. Do you have any order of magnitude of how
17 much more?

18 A. It was more than a million.

19 Q. Okay. Was it double that?

20 A. No, but it was more than a million
21 dollars.

22 Q. Okay. So --

23 A. Doing assessments and studies aren't
24 profit centers for Bechtel. We design and build
25 things.

1 Q. Bechtel is -- makes its money on finding
2 other methods to be engaged in projects?

3 A. EPC. That's what Bechtel does. We do
4 engineering procurement construction of large-scale
5 projects.

6 Q. So you don't do these kind of
7 assessments -- of assessments as part of your regular
8 routine?

9 A. It's -- it's not our core work.

10 Q. Fair enough.

11 A. We do it for customers. When customers
12 specifically request us to come and do something like
13 this, we -- we come in and do it.

14 Q. Okay.

15 A. It is -- it is not something we sell.

16 Q. So Bechtel's first interaction with SCE&G
17 was in April, right?

18 A. I don't remember the exact date. I'm sure
19 it's documented somewhere. But yeah, we -- we did
20 ultimately engage in SCE&G, sure.

21 Q. Does -- does it sound right that it was
22 somewhere in the neighborhood of two to three months
23 after you first engaged with Santee?

24 A. I would have guessed March/April time
25 frame.

1 Q. Okay. Right. At the time, did you -- did
2 you tell SCE&G that Bechtel had presented to Santee
3 months earlier?

4 A. I am --

5 MR. GILMORE: Objection. Form,
6 foundation. Asked and answered.

7 THE WITNESS: I am -- I think I said
8 earlier, I'm certain that I told Steve Byrne
9 that we had talked to -- that I remember -- our
10 executives had met with Santee Cooper --

11 BY MR. CHALLY:

12 Q. Okay.

13 A. -- on this.

14 Q. Did you tell Steve Byrne, or anyone else
15 at SCE&G, that Bechtel's CFO had a relationship with
16 a Santee Cooper board member?

17 A. I don't remember if I said that to Steve
18 Byrne. But that certainly could have come up in the
19 conversation. I don't -- maybe Steve remembers.

20 Q. Did you attend the first formal meeting
21 with SCE&G?

22 A. I believe I did attend the meeting with
23 SCE&G. I did not attend the meeting with Santee
24 Cooper.

25 Q. Okay. Do you -- so what was discussed, to

1 your recollection?

2 A. The potential of us coming and doing a
3 study.

4 Q. Okay.

5 A. Actually Steve Byrne and I spoke about it
6 at -- at -- I believe it was Amelia Island, at the
7 A&S -- not A&S -- the INPO owners' meeting, I think,
8 is when he and I actually might have first spoke
9 about it. I'd have to go check and see when it was.

10 Q. Okay. Anything else that you recall about
11 that meeting?

12 A. It was -- it was really the introduction
13 meeting to the idea of us doing an assessment for
14 them.

15 Q. Okay. Do you -- other than Mr. Byrne, do
16 you recall any -- anyone else being in attendance?

17 A. If I remember correctly, at that first
18 meeting, it was myself; Ahmet Tokpinar, also from
19 Bechtel; Archie, I think, was there, the CNO.

20 Q. Jeff Archie?

21 A. Jeff Archie. And maybe -- Michael Crosby
22 might have been at that meeting. I would have to --
23 that's -- I don't remember exactly who all was there.

24 Q. Do you recall --

25 A. It might have been Michael and -- Marion

1 might have been there also.

2 Q. Marion Cherry?

3 A. Yeah.

4 Q. All right. Do you recall discussing at
5 this meeting Bechtel's potential role as an owners'
6 engineer?

7 A. No, I -- I believe we just talked about
8 the assessment at that meeting.

9 Q. Okay. I want to go back to the document
10 that I handed to you.

11 A. Sure.

12 Q. Just a couple questions on the second
13 page.

14 In describing the assessment, there is a
15 paragraph that begins, "Note that our review will
16 focus on the methods and tools being used to manage
17 project execution." See that?

18 A. I see that paragraph, yes.

19 Q. You then -- the author of the e-mail, who
20 here is Craig Albert, indicates that "Bechtel will
21 not review the attribution of past impacts or
22 validity of any pending or future claims."

23 A. I see that sentence, yes.

24 Q. Do you have an understanding as to what
25 that means?

1 A. Yes. That goes right to the heart of --
2 that we were not coming in to assess, you know, blame
3 within the consortium or -- or the, you know,
4 contractual conditions within the consortium or
5 between the consortium and the owners; that we were
6 just there to look at the project, see what the
7 current condition of the project is, what the to-go
8 work is, and assess what could -- what
9 recommendations and observations we could give that
10 would change the trajectory of the project.

11 It was not a commercial assessment. It
12 was a -- it was a, you know, performance assessment
13 on the project.

14 Q. Isn't it true that Bechtel had a -- at
15 this time, in the spring and summer of 2015, Bechtel
16 had a number of employees that were rolling off the
17 Watts Bar project?

18 A. Yes, that summer we would be demobilizing
19 some people from Watts Bar. So it was really one of
20 the unique conditions that before they were sent to
21 other projects, there would be an opportunity to
22 people -- have people with very recent experience,
23 nuclear construction experience, be able to make them
24 available, if needed, for the -- for the V.C. Summer
25 project.

1 Q. And these are certain people beyond those
2 that would be engaged in the assessment itself,
3 right?

4 A. Correct.

5 Q. Yeah. So --

6 A. Some would -- some would be engaged in the
7 assessment and some beyond that could be -- could be
8 made available. It was just very good timing, before
9 these folks went on to other projects.

10 Q. Okay. And Bechtel was -- thought it
11 would -- would be convenient or coincidental or a
12 positive that these particular individuals were
13 freeing up, and then could be deployed on the Summer
14 project; isn't that right?

15 A. Yes. And then in my discussions with
16 Steve, and I think he even wrote it to me in e-mail,
17 that he really viewed a positive that we were going
18 to have people available that had Watts Bar
19 experience.

20 Q. Okay. What time, specifically, during
21 2015, did the individuals roll off of Watts Bar?

22 A. We actually started demobilizing Watts Bar
23 the previous fall. So they came off through that
24 winter and would be continuing to ramp down through
25 that year.

1 Q. What --

2 A. So -- so -- I mean, it's not
3 something we're -- it's not an all-or-nothing. It
4 kind of -- we were end of the commissioning, end of
5 the commissioning, and so we were supplying some, you
6 know, specific -- very experienced people into the
7 TVA's commissioning organization to help them bring
8 the plant online. And those people would start
9 ramping off during that year and start to become
10 available.

11 Q. Okay. So before your first meeting with
12 Steve Byrne and SCE&G, you were aware, were you not,
13 that Santee Cooper was discussing with SCE&G the
14 possibility of an assessment?

15 A. I don't know what discussions. I'm
16 imagining that they would have, after having that
17 first meeting with us, I would imagine that -- that
18 Santee Cooper would start to engage SCANA. When
19 Steve and I talked, it was very clear that SCANA
20 would ultimately be who we would work with on the
21 assessment.

22 Q. And you at Bechtel, and you personally in
23 Bechtel, in addition, were getting reports from
24 Santee on the discussions that Santee was having with
25 SCE&G, even as early as February of 2015, right?

1 A. Yeah, I -- I don't --

2 MR. GILMORE: Objection. Form,
3 foundation.

4 THE WITNESS: I don't remember the first
5 time that I got feedback from Michael Crosby of
6 his discussions with SCANA, but it could have
7 been that early. I -- I just don't remember.

8 BY MR. CHALLY:

9 Q. Okay. I'm going to hand you what I've
10 marked as Exhibit 10.

11 (Exhibit 10 was marked for identification.)

12 THE WITNESS: Sure.

13 BY MR. CHALLY:

14 Q. This is an e-mail forward from Mike Adams
15 to Craig Albert, and a copy to you and Ahmet --
16 Tokpinar? Is that right?

17 A. Tokpinar, yeah.

18 Q. Okay. And Craig Albert is still the CFO
19 of Bechtel as at the time of this e-mail, right,
20 February 2015?

21 A. No, Craig Albert is actually the president
22 of -- was president of NS&E. Michael Adams was the
23 CFO at this time.

24 Q. Do you know how long --

25 A. Bechtel, of Bechtel Group.

1 Q. Is Mike Adams still the CFO of Bechtel?

2 A. No.

3 Q. For how long was he the CFO?

4 A. I don't remember when he -- when he left.

5 I -- sorry. I -- I don't remember the date.

6 Q. Okay.

7 A. At this time he still -- I believe he
8 still was. This would have been February, so he was
9 still -- he was still CFO at this time.

10 Q. Okay. So Michael Crosby is reporting to
11 Mr. Albert, who is then reporting to others,
12 including Mike Adams, you, and Mr. Tokpinar, on the
13 status of discussions between Santee and SCE&G about
14 engaging Bechtel; is that right?

15 A. Yep. That's certainly what this e-mail is
16 about. I've read it.

17 Q. And Mr. Adams responds to Mr. Albert with
18 a copy to you, saying "Slowly catch the monkey." You
19 see that?

20 A. I see it.

21 Q. What does that mean to you?

22 A. I'm imagining it means that this -- that
23 it's slowly moving towards a deal.

24 Q. Okay. So --

25 A. It's a speculation on my part, but that's

1 what I believe he's saying.

2 Q. So do you think that Mr. Adams would be
3 interested in moving towards a deal that was
4 ultimately going to lead Bechtel to not recover the
5 full value of its investment?

6 MR. GILMORE: Objection. Form.
7 Foundation.

8 THE WITNESS: I mean, this is a deal for
9 the assessment proposal. That's what this is.
10 This is for the assessment.

11 BY MR. CHALLY:

12 Q. I understand. And the assessment is one
13 that you say Bechtel doesn't typically make money on,
14 right?

15 A. Right. Right. We typically don't.

16 Q. So do you have a belief that the CFO of
17 Bechtel would be interested in catching the monkey,
18 or the deal, when that deal wasn't going to provide
19 profit to Bechtel?

20 A. We had briefed Mike Adams before the
21 initial meeting that these projects were critical to
22 the next set of builds going forward. So Mike knew
23 very much that the -- that the challenge of Turkey
24 Point 6 and 7 and Stewart County going forward, you
25 know, hinged on the success, or not, of V.C. Summer

1 and Vogtle.

2 Q. And he also knew the possibility of
3 Bechtel being engaged as an owners' engineer, right?

4 A. Yeah.

5 Q. Isn't that right?

6 A. Yeah.

7 Q. So do you believe that being an owners'
8 engineer is the monkey that Mr. Adams is referring
9 to?

10 MR. GILMORE: Objection. Form,
11 foundation.

12 THE WITNESS: Nope. I would say it's the
13 assessment proposal.

14 BY MR. CHALLY:

15 Q. Okay. All right. After entering into the
16 Professional Services Agreement with the owners'
17 representative, and with Santee, Bechtel formed a
18 plan to pitch the owners for additional work on the
19 project, right?

20 MR. GILMORE: Objection. Form,
21 foundation.

22 THE WITNESS: We did put together a --
23 a -- after engaging with the site, we -- we put
24 together what -- what we thought would be a help
25 to SCANA to -- to right the project and get it

1 going in a direction that would -- that would be
2 successful, viewed successful by SCANA.

3 And so yes. Yes, we did.

4 BY MR. CHALLY:

5 Q. Do you recall when Bechtel was engaged,
6 when it executed the Professional Services Agreement?

7 A. When we signed it? Or . . .

8 Q. Uh-huh.

9 A. I don't remember the date. I'm going to
10 say it was maybe July. It went back and forth --
11 actually was very slow to start, went back and forth
12 a little bit.

13 I don't know. If you have the document,
14 the date's probably on it.

15 Q. Yeah.

16 A. I -- I don't remember the exact date.

17 Q. Okay. Do you remember when Bechtel
18 actually sent people to the site for the first time
19 to do work --

20 A. I don't remember the date.

21 Q. -- on the assessment? Would it have been
22 in August of 2015?

23 A. It was in the -- it was in the August time
24 frame. We might have actually visited the site a
25 little bit before then, but we wouldn't have

1 mobilized the team.

2 I mean, in all of this, I was at the
3 site -- both Mr. Tokpinar and I were, as well as
4 Steve Routh, were at the site several times over the
5 summer as we were preparing to go do this, because to
6 be able to meet the assessment time period, we were
7 going to have to make sure this data was available to
8 us when we got boots on the ground, or we not -- or
9 we weren't going to be able to do it in the time
10 frame that we needed to have it done.

11 Q. You certainly didn't have boots on the
12 ground until you had an executed contract?

13 A. That's correct, yeah.

14 Q. All right. So isn't it true that within a
15 month, Bechtel was already discussing with Santee --
16 within a month of executing the Professional Services
17 Agreement, that Bechtel was already discussing with
18 Santee the possibility of follow-on work on the
19 project?

20 A. I believe we were.

21 Q. Okay. All right, so I'm going to -- so
22 that was -- that -- that is a discussion that Bechtel
23 engaged in with Santee immediately upon being engaged
24 on the assessment?

25 MR. GILMORE: Objection. Form,

1 foundation.

2 THE WITNESS: I think actually that was
3 probably mostly borne out of the initial meeting
4 with Lonnie, because I can tell you that Michael
5 Crosby, specifically, was very concerned about
6 SCANA not having enough people assigned in
7 oversight roles to keep a handle on the project.

8 So -- so Santee Cooper was concerned about
9 that, and I think they may have actually teed up
10 the idea of -- "Could you come in and help with
11 the oversight?"

12 Even at one time there was discussion of
13 us doing that just directly for Santee Cooper,
14 because they were concerned about the -- that
15 there were not nearly enough people overseeing
16 the consortium in the performance of the work.

17 BY MR. CHALLY:

18 Q. And so that level of oversight from the
19 owners, that's something you're familiar with,
20 correct?

21 A. Yeah.

22 Q. Right. That enhanced the level of
23 oversight, right?

24 A. Yes.

25 Q. In fact, that's an enhanced level of

1 oversight that existed at the Watts Bar project,
2 right?

3 A. Yes.

4 Q. And that was part of the criticism that
5 led to Bechtel's role being minimized at the Watts
6 Bar project, wasn't it?

7 MR. GILMORE: Objection. Form,
8 foundation.

9 THE WITNESS: I -- there were a number of
10 things that -- that were challenges at Watts
11 Bar, and -- and you let me know when you want --
12 want to talk about them, but . . .

13 BY MR. CHALLY:

14 Q. Yeah. The Office of Inspector General
15 identified that as one of the more significant
16 problems that existed at Watts Bar: Too much
17 oversight on the part of the owner. Right?

18 A. There were -- that was certainly one of
19 the items.

20 Q. Okay. And that's ultimately what Santee
21 was suggesting that Bechtel try to -- the role that
22 Bechtel try to fill in connection with the Summer
23 project, right?

24 A. Very different, though. Because at -- at
25 Watts Bar, TVA was directing the work. The oversight

1 that we were talking about at SCANA was being able
2 for -- at V.C. Summer, was being able to provide
3 independent analysis of -- of less-than-transparent
4 reporting that was being provided to SCANA and Santee
5 Cooper by the consortium.

6 Very different drivers, very different
7 oversight style. At TVA, the issue, as you might
8 remember from the report, was that -- that the TVA
9 oversight was actually directing the work and
10 directing the path of every piece of the work,
11 sometimes to their own detriment.

12 Q. So that level --

13 A. So it's a very different -- while -- while
14 we are talking about additional oversight, it is very
15 different than -- than what we're talking about at
16 Watts Bar.

17 Q. But that level of oversight is a level of
18 oversight that was a criticism of the Watts Bar
19 project, right?

20 MR. GILMORE: Objection. Form,
21 foundation.

22 THE WITNESS: What I described at Watts
23 Bar, where TVA was directing the work, yes. But
24 what we were talking about at V.C. Summer was
25 not directing the work. The issue was, you were

1 not getting reports that were transparent and
2 provided outcomes that aligned with the
3 performance that was happening out on the job
4 every day.

5 And what we were presenting was that you
6 would have an independent set of analyses to
7 inform you on how things were really going,
8 inform SCANA and Santee Cooper how the project
9 was actually going, from the consortium's
10 standpoint.

11 BY MR. CHALLY:

12 Q. And that was --

13 A. So that's different.

14 Q. Okay. Fair enough. And that was work of
15 an owners' engineer, right?

16 A. Right.

17 Q. And that was the work that Bechtel was
18 interested in doing?

19 A. That's what we offered --

20 Q. Right?

21 A. -- to Santee Cooper.

22 Q. Okay. I'm going to hand you what I marked
23 as Exhibit 11.

24 (Exhibit 11 was marked for identification.)

25 THE WITNESS: Okay.

1 BY MR. CHALLY:

2 Q. You understood, did you not, Mr. Troutman,
3 that this pitch for follow-on work was of a concern
4 to SCE&G at the time, right?

5 A. Yes.

6 MR. GILMORE: Objection. Form.
7 Foundation.

8 BY MR. CHALLY:

9 Q. And -- and that's because Santee had
10 informed you of that, outside of Santee's discussions
11 with SCE&G?

12 MR. GILMORE: Objection. Form,
13 foundation.

14 THE WITNESS: There was definitely a
15 different level of interest between SCE&G and
16 Santee Cooper in having Bechtel engage to help
17 oversee the project. And this string of e-mails
18 certainly shows that -- shows those differences.

19 BY MR. CHALLY:

20 Q. So you believed and discussed -- or,
21 excuse me -- Bechtel believed and discussed with
22 Santee that a quote/unquote disruptive event would
23 potentially lead SCE&G to have a different view of
24 the need for an owners' engineer, right?

25 MR. GILMORE: Objection. Form,

1 foundation.

2 THE WITNESS: I don't know that I would
3 have used the word "disruptive event."

4 BY MR. CHALLY:

5 Q. Do you recall this -- receiving this
6 document at the time it's identified here?

7 A. Which one is that?

8 Q. August 25th of 2016.

9 A. The e-mail from Craig to -- to I?

10 Q. Yes.

11 A. In looking at it, I -- I remember these
12 discussions, yes.

13 Steve Byrne and I actually had
14 discussions. He told me that Westinghouse was
15 concerned about our -- our being engaged at the time.

16 Q. And that wasn't surprising to you, right,
17 in light of your prior experience with Westinghouse?

18 A. Both that and the current condition of the
19 project led to me not -- not being surprised.

20 Q. I'm going to hand you another document.
21 This is Exhibit 12.

22 It's also in this time frame. This is
23 actually August 17 of 2015. So prior to Exhibit 11.

24 Do you recall receiving this document in
25 that time frame?

1 A. I'm reading it now.

2 (Exhibit 12 was marked for identification.)

3 THE WITNESS: Yes, I remember this.

4 BY MR. CHALLY:

5 Q. Okay. So you recall Mr. Rau reporting to
6 Mr. Albert and you that Bechtel's themes related to a
7 pitch for follow-on work is that there would need to
8 be a disruptive event, right?

9 MR. GILMORE: Objection. Form. Lack of
10 foundation.

11 THE WITNESS: Yeah, I think what he's
12 speaking to here, just looking at the context of
13 the entire e-mail string, is that -- that we
14 were getting no traction on the information
15 needed to do the assessment. And Carl was
16 becoming more concerned that because we were --
17 you know, our team was being zippered up with
18 lower-level people at SCE&G, that they were not
19 owning getting us the data.

20 The event that he's talking about is that
21 the CEOs would have to get engaged to force the
22 interaction with the team in providing us the
23 data we would need in order to do the
24 assessment.

25 It's -- I believe that is what Carl is

1 speaking to on the back part of that page.

2 BY MR. CHALLY:

3 Q. Okay.

4 A. Again, this is all springing out of the
5 kickoff for the assessment that nobody showed up to
6 it but Santee Cooper.

7 Q. Okay. What's --

8 A. So I believe that's the disruptive event
9 that he's speaking of there.

10 Q. Fair enough. What -- so what is this
11 kickoff that you're just referring to?

12 A. So that is the kickoff of the assessment.
13 We had scheduled a kickoff meeting for the
14 assessment, and SCE&G was to have their leads of each
15 one of the functional areas show up to the -- to the
16 kickoff with their plans on how they were going to
17 deliver the information needed to the reading room
18 for -- for the assessment.

19 And -- and so Carl holds the kickoff
20 meeting, and it's almost an empty room on the
21 customer side of what was supposed to be a kickoff,
22 and a turnaround within eight to ten weeks of an
23 assessment of where the project was.

24 So I think there's probably several other
25 documents that -- as well as the weekly minutes from

1 our weekly meetings with SCE&G, that describe the
2 challenges we saw on the front end, getting SCE&G to
3 move and actually provide the -- the inputs needed
4 for the front end of the -- the assessment.

5 Q. So the assessment was to be an eight-week
6 exercise; is that right?

7 A. That's correct.

8 Q. And for how many of those weeks were you
9 experiencing these difficulties in getting the
10 information that you sought?

11 A. I'd have to look at the -- at the weekly
12 reports. But I think if you go to the assessment
13 report and look at those weekly reports, you'll see
14 that in some cases, we didn't get data until the very
15 last week were on site. We were able to use that
16 data, though, to -- to complete the assessment
17 analysis.

18 But I think you'll see that that was -- we
19 had very difficult times on the front end, but there
20 were some things that lingered on through the
21 assessment.

22 Ultimately, we got everything we needed.
23 There's some more that we would have liked access to,
24 but we got everything we needed to reach the -- to
25 finish the assessment.

1 Q. But some of that, you got late in the
2 process?

3 A. That's correct, yeah. And you can -- like
4 I said, it's pretty well documented if you look, look
5 on those attachments to the assessment report.

6 Q. Okay. Now, I'm sorry for jumping back and
7 forth, but can we go back to Exhibit 11 for a second?

8 A. Exhibit 11.

9 Okay. I'm on 11.

10 Q. Isn't it true that Mr. Albert is reporting
11 to Mr. Crosby, at the beginning of this chain, that
12 the very first issue to be addressed in Bechtel's
13 approach is that SCANA/SCE&G should engage Bechtel as
14 its owners' engineer?

15 A. Yes, I see where he states that here on
16 page -- there's no page numbers. It's, two, three --
17 four.

18 And that, you know, the context of that
19 was to kind of shake the consortium so that they
20 would be more responsive and, you know, not have a
21 view that there were superficial engagement. You can
22 see the rest of the context on that page of why he
23 identifies that as item number 1.

24 Q. And that was certainly consistent with
25 Bechtel's interest at the time, right?

1 A. Yeah, that certainly was the approach.
2 Craig has it documented right there.

3 Q. Okay. All right. And this is an approach
4 that Bechtel discussed with Santee without involving
5 SCE&G, right?

6 MR. GILMORE: Objection. Form,
7 foundation.

8 THE WITNESS: I will tell you that I had
9 these discussions with -- with Steve Byrne.

10 BY MR. CHALLY:

11 Q. Fair enough. Did you forward this e-mail
12 to Mr. Byrne?

13 A. I do not believe I forwarded this e-mail
14 to Mr. Byrne, but Steve Byrne and I had meetings --
15 at this point in the project probably had meetings or
16 phone calls almost weekly on the path forward and --
17 and where things were going. So --

18 Q. So is it your testimony that Bechtel was
19 informing SCE&G of the sum and substance of its
20 conversations with Santee on these topics at the
21 time?

22 A. It's -- I've been having -- I was having
23 those conversations with Steve Byrne.

24 Q. Okay.

25 A. I wouldn't characterize it as informing

1 him of these conversations. I would characterize it
2 as me having the conversations with Steve Byrne.

3 Q. But --

4 A. I was very transparent with him.

5 Q. But you weren't telling Mr. Byrne that
6 Mr. Albert and Mr. Crosby were talking about the best
7 way to secure SCE&G's approval of Bechtel becoming an
8 owners' engineer, were you?

9 MR. GILMORE: Objection. Form,
10 foundation.

11 THE WITNESS: I don't know that I -- if I
12 had those exact conversations with him at this
13 point.

14 BY MR. CHALLY:

15 Q. Do you know of anyone associated with
16 Bechtel that ever told SCE&G that at -- that Bechtel
17 and Santee Cooper were talking in August of 2015
18 about the best way to secure SCE&G's approval of
19 Bechtel being engaged as an owners' engineer?

20 MR. GILMORE: Objection. Form.

21 THE WITNESS: I don't know if anybody had
22 that conversation.

23 But it was -- I -- I'd just add that it
24 was not a secret to SCE&G that we believed they
25 needed to have additional oversight.

1 BY MR. CHALLY:

2 Q. And that was oversight that you thought
3 Bechtel could provide?

4 A. That I thought we had the experience to
5 provide, and it was ultimately their choice whether
6 they -- whether they chose to have us do that or not.

7 Q. Okay. Isn't it true that even at the
8 October 22 presentation made to certain executives of
9 the owners, Bechtel had prepared an additional
10 presentation to pitch for work as an owners'
11 engineer?

12 MR. GILMORE: Objection. Form,
13 foundation.

14 THE WITNESS: I was not at that meeting,
15 but yes, we did prepare a presentation to show
16 them how we could help. That's correct.

17 BY MR. CHALLY:

18 Q. And that presentation -- well, SCE&G
19 declined Bechtel's invitation to pitch for that
20 additional work at that meeting, right?

21 A. That's my understanding.

22 Q. Okay. Now, I think -- I think it's clear,
23 but I want to make sure I understand. So you knew,
24 at the time that Bechtel was formally engaged by the
25 owners' representative, that Bechtel was engaged for

1 purposes of litigation, right?

2 A. It was part of the agreement. The
3 agreement said that it was -- if you pull out the
4 agreement, you will see the clause right in the
5 agreement, that it was -- that there was the
6 potential of -- I don't remember exactly how the
7 words were.

8 (Exhibit 13 was marked for identification.)

9 BY MR. CHALLY:

10 Q. So let's just look at that real quick.

11 A. Sure.

12 Q. Here's Exhibit 13. This a copy of the
13 Professional Services Agreement between Bechtel and
14 the owners' representative, Smith, Currie & Hancock?

15 A. It's on page 2, paragraph number 5,
16 starting with: "It is agreed that Bechtel is being
17 engaged in anticipation of litigation or other
18 dispute resolution process related to the project,
19 but is not being engaged as an expert witness."

20 I think that's the sentence you were
21 looking for.

22 Q. Well, the first question I wanted to make
23 sure we got an answer to was: Is this the
24 Professional Services Agreement between Bechtel and
25 Smith, Currie & Hancock?

1 A. Appears to be. It has my signature on it.

2 Q. Yeah. And that is your signature?

3 A. And George Wenick's.

4 Q. Correct. So you recall this document at

5 the time it was executed, right?

6 A. Yes, I do.

7 Q. Does this refresh your recollection as to

8 the timing of Bechtel's formal engagement,

9 August 6th?

10 A. I thought it was the end of July,

11 beginning of August, yes.

12 Q. All right. So you referred earlier, and

13 have throughout the day, to the fact -- to Bechtel's

14 client. Bechtel's client, under the Professional

15 Services Agreement, is Smith, Currie & Hancock,

16 right?

17 A. Yes.

18 Q. Okay. No question in your mind

19 whatsoever, under the Professional Services

20 Agreement, that Bechtel's client is Smith, Currie &

21 Hancock?

22 A. That's the way this agreement is written,

23 sir.

24 Q. And -- and it's also clear from you, under

25 the agreement, that the engagement was for purposes

1 of providing services to Smith, Currie & Hancock in
2 anticipation of litigation with the consortium?

3 A. Yes, sir, that's what it says.

4 Q. Okay. And you knew further that Bechtel's
5 involvement here would be solely for the purposes of
6 assisting Smith, Currie & Hancock in giving legal
7 advice to the owner?

8 MR. RICHARDSON: Object to the form of
9 that question.

10 MR. GILMORE: Objection. Form,
11 foundation.

12 BY MR. CHALLY:

13 Q. Well, it's on paragraph 3. Just read that
14 into the record.

15 A. I mean, the agreement reads as it reads.

16 Q. But -- but you knew it at the time? I
17 mean, you understood the purposes for your engagement
18 were solely to assist Smith, Currie & Hancock in
19 giving legal advice to the owners?

20 A. Uh-huh.

21 Q. Okay.

22 A. The only clarification I would make to
23 your comment on the customer being Smith, Currie &
24 Hancock, Steve Byrne did stay as the technical
25 contact for the engagement through the entire period,

1 so . . .

2 Q. Fair enough.

3 A. Steve and I met on a, you know, periodic
4 basis, and, you know, he had delegated to his
5 lower-level folks down at -- directly engage with us
6 on the assessment, as I did to our direct folks.

7 So -- so during the performance of the
8 work, Steve Byrne and Michael Crosby were the
9 interaction points --

10 Q. But that didn't change --

11 A. -- for us.

12 Q. -- the fact that your client in this
13 arrangement --

14 A. That's correct. Doesn't change that fact.
15 I just wanted you to understand the -- the
16 operational protocols that were set up during the
17 performance of the assessment.

18 Q. Got it. Where in this agreement does it
19 say Bechtel is to perform a schedule analysis?

20 A. It is part of evaluating the current
21 status and forecasted completion plan. It is on
22 page 1 of the attachment A. It is paragraph 3.

23 Q. Okay. So you said you've been in the
24 nuclear construction business for how many years?

25 A. 36 years.

1 Q. Okay. But I wasn't sure. Are you an
2 engineer?

3 A. No, I'm not an engineer. I'm a
4 constructor.

5 Q. But you are aware of the processes
6 required to complete a schedule for a significant
7 construction project, right?

8 A. Yes. I've been project manager on many
9 projects of this scale.

10 Q. And you are aware of the process that's
11 required to create a schedule for a nuclear reactor
12 construction project, right?

13 A. Yes, I am.

14 Q. Okay. And that's a significant
15 undertaking, isn't it?

16 A. Yes, it is.

17

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

1

4

Q. And for -- let's go back to the Summer

5

assessment that you did, the V.C. Summer assessment.

6

You had 10 people with Bechtel engaged in

7

that effort, right?

8

A. Yeah. That's correct.

9

Q. Were any of them schedulers?

10

A. Two of them.

11

Q. Who?

12

A. Jason Moore, the same one that we had do

13

the V.C. Summer assessment.

14

Trying to remember the other -- the --

15

there were two other people, but basically a single

16

FTE between them.

17

Q. Okay. So you had a --

18

A. I don't remember the names. Couple

19

people.

20

Q. You had a single full-time employee

21

dedicated to the assessment that was involved in

22

analyzing the schedule?

23

A. Yeah.

24

Q. All right.

25

A. Two FTEs, roughly.

[illegible]

1 to that date, was Bechtel putting its fee on the line
2 on the schedule?

3 A. That's right.

4 Q. All right. So then -- okay. We'll come
5 back to that. The --

6 MR. GILMORE: John, we've been going about
7 an hour and 15. Can we just take a quick
8 break --

9 MR. CHALLY: Sure.

10 MR. GILMORE: -- if you're about to move
11 on to something else.

12 MR. CHALLY: Yeah.

13 VIDEOGRAPHER: We are going off the record
14 at 6:04.

15 (A recess transpired from 6:04 p.m. until
16 6:16 p.m.)

17 VIDEOGRAPHER: We are back on the record
18 at 6:16.

19 BY MR. CHALLY:

20 Q. Okay. Mr. Troutman, I want to make sure I
21 have the understanding of the amount of individuals
22 and hours deployed by Bechtel on the project, on the
23 assessment of the project. Okay.

24 (Off-record discussion.)
25

1 BY MR. CHALLY:

2 Q. Okay. So you personally weren't involved
3 in the assessment, were you?

4 A. No.

5 Q. You were not. Okay. So what role did you
6 have with respect to the assessment?

7 A. I mean, at the time, I was the president
8 of Bechtel Power Corporation, so all these people
9 worked for me. So I was involved with the customer
10 interaction, but I didn't do the assessment.

11 Q. And there were how many people involved in
12 the assessment?

13 A. About ten people.

14 Q. Okay. And that assessment occurred for --
15 is it seven or eight weeks?

16 A. About eight weeks.

17 Q. Okay. A little less than eight weeks,
18 or . . . ?

19 A. It was about eight weeks, I think.

20 Q. All right. Do you know how many hours
21 Bechtel employees dedicated to the assessment?

22 A. No, not off the top of my head. But I
23 mean, we track -- obviously we track all those hours,
24 you know. My engagement, you know, Craig Albert's
25 engagement, the team itself, the --

1 Q. Okay.

2 A. -- legal reviews, all the things --

3 everything costs --

4 Q. Okay.

5 A. -- money, not just the ten people doing
6 the assessment.

7 But yes, we'd track those.

8 Q. Oh, I understand.

9 A. I just don't know off the top of my head
10 those are --

11 Q. That's fair. So I'm -- but I'm focused on
12 the -- those that were actually involved in the
13 assessment, those ten or so people.

14 A. About 10 -- 10 to 12 full-time people,
15 yeah.

16 Q. 10 -- so 10 to 12 full-time people for
17 that 8-week period?

18 A. That's correct.

19 Q. And full time, by -- is -- is what,
20 8 hours a day?

21 A. Oh, they were probably working 10,
22 11 hours a day.

23 Q. Okay. So -- five days a week?

24 A. They worked usually about six days a week
25 on these. I mean, it's a pretty concentrated

1 effort --

2 Q. Okay. Fair enough.

3 A. -- to finish.

4 Q. How many hours were on site? If you know.

5 A. Boy, I don't know. I don't -- I don't
6 remember how many of them were on site. I mean, we
7 did pretty much all the data gathering and -- and
8 didn't retreat back to the office until we were just
9 in writing, in writing mode. So I think we spent
10 almost eight weeks on the site.

11 Q. All right. And --

12 A. Probably another couple weeks writing and
13 reviewing the final, you know, the final
14 documentation, doing quality checks and those types
15 of things.

16 Q. And when you say "final documentation," do
17 you mean the October -- do you mean the October 22
18 presentation?

19 A. Yeah, my understanding is that's what
20 you're asking about. That -- the assessment, yes.

21 Q. Well, I just want to make sure -- as we
22 know, there was the assessment period that occurred
23 for eight weeks following the October -- or, excuse
24 me -- August 6th, 2015 engagement letter. And then
25 there was a presentation, that you discussed earlier,

1 that was provided to certain representatives of the
2 owners in October. And then there was a -- reports
3 that followed that?

4 A. Yeah. Yeah, but the reports began
5 immediately when that team got back to the office
6 from the site. Once they had done all the data
7 gathering and data analysis, they had to then go into
8 report writing. So it's at that point that all
9 the -- all the -- all the work gets turned into the
10 work product of -- of the report.

11 So in parallel to the -- you know, the --
12 the presentation just extracted the key points out of
13 the report. Those things were -- you know, the
14 report begat the presentation, if you kind of think
15 about it that way, not the other way around.

16 We didn't produce a PowerPoint and then
17 turn that into a report. The report was the work
18 product coming out of the analysis.

19 Q. So --

20 A. So -- so that -- the report comes first.

21 Q. And the first --

22 A. Presentation extracted from that.

23 Q. Excuse me. The first draft of the report
24 that I've seen is dated November 9; is that right?

25 A. I think that is the early -- the early

1 draft, yeah.

2 Q. Okay. So the assessment began in earnest
3 on August 6th of 2015; that two-month period
4 concluded in October, early October of 2015?

5 A. Yeah. I think the first week in October
6 was the last week on site, I believe.

7 Q. Okay. And then --

8 A. We could look at the report. It would say
9 it.

10 Q. Okay. Fair enough. And then there was a
11 month-long period for preparing the initial draft of
12 the report; is that right?

13 A. That's correct.

14 Q. Okay. So the drafting of the report took
15 half as much time as did the time on site in the
16 assessment?

17 A. That's correct.

18 Q. Okay. Did Bechtel -- Bechtel was able to
19 interview the consortium, members of the consortium,
20 in connection with its assessment, right?

21 A. That's correct.

22 Q. Okay. And during those meetings, did
23 Bechtel ever discuss with the consortium the
24 mitigation efforts then in place to address the
25 productivity on site?

1 A. In general, no. Those -- those interviews
2 were -- were data gathering. So it tended to be --
3 our folks would go to a meeting. Let's say their --
4 their schedule meeting. And then we would interview
5 their lead scheduler, their lead project controls
6 person, and talk about the processes they use and
7 understand how they do their own internal analysis,
8 have them walk us through their internal metrics, and
9 take that as inputs to come up with -- "Hey, where do
10 we think things could be better," what are some
11 recommendations for them to, you know, look at things
12 a different way, or recommendations to SCANA to say,
13 "Hey, you need to -- you need to keep an eye on this,
14 because you're not seeing transparency in the reports
15 you do."

16 Q. But you weren't focused on the
17 consortium's mitigation efforts, right?

18 A. No, although they -- I mean, they would
19 communicate to us -- part of the reason I said we
20 didn't use their performance to date, which would
21 have given a -- you know, the 26-year schedule or
22 whatever the, you know, person -- we didn't do that
23 analysis.

24 But you know, the 318 months,
25 26.5 years -- 26.5 year answer is what you would have

1 got looking at the performance to date. The reason
2 we didn't use that is because they did communicate to
3 us things that they had, if you will, corrective
4 actions that they had in the hopper, you know, for
5 problems.

6 I mean, they were self-critical, in that
7 they knew they were having some challenges and were
8 working on correcting those challenges. So they did
9 provide us with some of those, which is why we ended
10 up saying, "Well, we can't look at it that way. We
11 also can't look at it as in the impossible dream, so
12 let's use our experience, because nobody's built
13 nuclear power plants more than us."

14 So we would have the best experience at
15 that. Fluor had not -- had -- had never.
16 Westinghouse had never EPC'd a -- even their own
17 plant. They were an OEM supplier, so they didn't
18 have that experience.

19 So -- so we brought experience to them
20 that they did not have, where many metrics and
21 measures they didn't have in place -- they didn't
22 even measure the quantities they were designing.
23 Just fundamentals that you need to know where you
24 are.

25 By not having that -- and they didn't even

1 know they were missing it. I mean, there were --
2 there were things like that, that we offered, that
3 were things that they could do to get themselves to a
4 better place.

5 Q. So, I want to try to keep us on task a
6 little bit. So the question was about mitigation
7 efforts.

8 A. Okay.

9 Q. You were aware of certain mitigation
10 efforts, right?

11 A. Yeah. We were.

12 Q. All right. But those weren't part of your
13 assessment overall?

14 MR. GILMORE: Objection. Form.

15 Foundation. Mischaracterizes prior testimony.

16 THE WITNESS: We considered that they were
17 mitigating some of their challenges --

18 BY MR. CHALLY:

19 Q. So you didn't have --

20 A. -- into the assessment. So -- so I mean,
21 we didn't ignore it. We considered it.

22 Q. And you -- I believe you testified that
23 you had never seen, Bechtel had not seen the EPC
24 contract, right?

25 A. Yeah, that -- it was not provided to us --

1 Q. And Bechtel certainly --

2 A. -- that I remember.

3 Q. Bechtel certainly hadn't seen, because it
4 didn't exist at the time of the assessment, the EPC
5 amendment, right?

6 A. Right. It didn't exist when we started.

7 Q. Okay. So those two aspects, the terms of
8 the contract and the EPC amendment, weren't part of
9 your assessment at all, right?

10 A. Correct. We were looking -- just looking
11 at the trajectory of the job and when -- when the job
12 might finish it out.

13 Q. Okay. All right. Now, you said that --
14 you were talking about Bechtel's experiences in
15 nuclear -- excuse me -- as a nuclear constructor.
16 Since 2000, Bechtel's experience as a nuclear
17 constructor was limited to the Watts Bar project, and
18 then -- its engagement in the United States was
19 limited to the Watts Bar project and then the
20 assessments conducted for Vogtle and V.C. Summer,
21 right?

22 A. If -- if you're asking what our
23 construction experience was for nuclear power post
24 year 2000, we have been engaged with just about every
25 nuclear power plant being built outside of China or

1 Russia. We were engaged with Barakah in the -- in
2 the Emirates. We were -- we're -- we are engaged as
3 the project management consultant to that contract.
4 We -- we have been -- we are the EPC partner for
5 Wylfa, in Wales. We are the construction delivery --
6 construction management delivery partner with EDF at
7 Hinkley Point. And we helped Olkiluoto recover OL3
8 after Areva defaulted on that EPC of OL3.

9 Q. Are any of those in the United States?

10 A. None of them are in the United States.

11 Q. Okay. So Bechtel's experience as a
12 nuclear constructor since 2000 is limited to Watts
13 Bar, as of the time of the assessment?

14 A. That's correct.

15 Q. All right. And Watts Bar, you know, is
16 not an AP1000 design, correct?

17 A. I know it's not.

18 Q. All right. Now, isn't it true that
19 Bechtel actually didn't download the entirety of
20 Westinghouse's schedule?

21 A. We downloaded what we needed in order to
22 do the analysis.

23 Q. My question was, isn't it true that
24 Bechtel didn't download the entirety of
25 Westinghouse's schedule?

1 MR. GILMORE: Objection. Asked and
2 answered.

3 THE WITNESS: I -- I -- the guy that we
4 had doing it was the guy who knew what -- what
5 he needed for the analysis. So I -- I can't
6 speak to it. I'm not the scheduler. But we
7 downloaded what we needed to do the analysis.

8 BY MR. CHALLY:

9 Q. So as you sit here today, you don't know
10 whether Bechtel in fact downloaded the entirety of
11 the consortium's schedule in conducting its analysis?

12 MR. SOLOMONS: Object to the form.

13 MR. GILMORE: Objection. Form,
14 foundation.

15 THE WITNESS: We downloaded the portion of
16 the schedule that we needed to do the analysis.

17 Downloading the level 3 detail for this
18 schedule is really important if you're building
19 a plant. It is not to do the analysis.

20 BY MR. CHALLY:

21 Q. Fair enough. But you didn't get the full
22 schedule information from Westinghouse, right?

23 MR. SOLOMONS: Object to the form.

24 THE WITNESS: Got what we needed. That's
25 the most important thing.

1 BY MR. CHALLY:

2 Q. Do you know --

3 A. We got what we needed to do the analysis.

4 Q. Do you know whether or not there is more
5 information related to the schedule that you didn't
6 have when you were doing your analysis?

7 MR. SOLOMONS: Object to the form.

8 THE WITNESS: I know that Westinghouse has
9 more detail in the schedule than we used for our
10 analysis.

11 BY MR. CHALLY:

12 Q. Okay.

13 A. I do know that.

14 Q. Do you know and -- that Westinghouse had a
15 level 3 schedule?

16 A. They did have a level 3 schedule.

17 Q. And do you know that the Westinghouse
18 schedule was fully integrated?

19 A. It was not.

20 Q. It's your testimony that Westinghouse's
21 schedule was not fully integrated?

22 A. Yes.

23 Q. So if Westinghouse testified under oath
24 that their level 3 schedule was fully integrated,
25 what's your view of that testimony?

1 A. We looked at their schedule. They did not
2 have key engineering and procurement activities tied
3 as driving activities to the construction schedule.

4 Q. Okay.

5 A. And on top of that, they had constraints
6 in the construction schedule that gave negative float
7 in their schedule. So it was not a true logic
8 schedule. It was -- the end date was fabricated --

9 Q. But you said --

10 A. -- by the constraints.

11 Q. -- you didn't have level 3 information?

12 A. We had --

13 MR. GILMORE: Objection. Form,
14 foundation.

15 THE WITNESS: We had their schedule.

16 BY MR. CHALLY:

17 Q. No, you said you didn't have the level 3
18 information, because you didn't need the information
19 to do the assessment, right?

20 MR. GILMORE: Objection. Form,
21 foundation. Mischaracterizes prior testimony.

22 THE WITNESS: I said we didn't download it
23 to do the analysis. We had their entire
24 schedule available to us.

1 BY MR. CHALLY:

2 Q. My -- or your -- excuse me.

3 My question is, did you download the
4 level 3 information from Westinghouse or not?

5 A. I do not know, sitting here in front of
6 you, what all Jason downloaded for the schedule. He
7 downloaded everything we needed to do the analysis.

8 You don't do this analysis -- you
9 obviously don't understand this analysis, because you
10 don't do it at a level 3 execution level.

11 Q. Isn't it true that Bechtel concluded that
12 it would have to do a much more significant dive into
13 the schedule to accurately predict schedule
14 probabilities?

15 A. I'd have to see what -- see the context of
16 what you're referring to.

17 Q. Does that sound accurate, in terms of the
18 information that Bechtel was providing to the owners
19 regarding its schedule assessment?

20 MR. GILMORE: Objection. Form,
21 foundation.

22 And -- and Counsel, obviously, if you have
23 a document you want to ask Mr. Troutman about,
24 you should feel free to show it to him.

25 MR. CHALLY: I will, but I'm just curious

1 as to what his -- what his recollection is.

2 THE WITNESS: My recollection is, is that
3 we told them they should -- before they change
4 their baseline, they need to do more detailed
5 analysis at the level 3.

6 BY MR. CHALLY:

7 Q. Yeah. So you did --

8 A. But again, that is just to have a narrower
9 band of outcomes. The band of outcomes that you get
10 at a level 2 schedule analysis is -- is sufficient to
11 show the trajectory of the job.

12 Doing it at a level 3 would not make it
13 better, if your belief is that better is shorter. It
14 just improves the level of accuracy and gives you a
15 higher probability at that -- at that data point. It
16 does not change the outcome.

17 Q. So you understood and conveyed to the
18 owners -- Bechtel understood and conveyed to the
19 owners that Bechtel's schedule analysis wasn't
20 sufficient to justify a deviation from the then
21 existing baseline schedule, right?

22 MR. RICHARDSON: Object to the form of
23 that question.

24 MR. GILMORE: Objection. Form,
25 foundation.

1 THE WITNESS: What we told them is that
2 before you change the baseline, you should do
3 the further analysis at level 3.

4 BY MR. CHALLY:

5 Q. Okay. Here is Exhibit 14 to your
6 deposition.

7 (Exhibit 14 was marked for identification.)

8 BY MR. CHALLY:

9 Q. I think you saw a copy of this earlier
10 today, but thought I'd use it this way.

11 MR. SOLOMONS: Counsel, is this the same
12 document that was already admitted?

13 MR. CHALLY: Used, as -- in part of the
14 composite.

15 MR. SOLOMONS: Okay.

16 MR. CHALLY: But I mean, it's not the
17 same. It's got a Bates label on it.

18 MR. SOLOMONS: Okay. I'm just checking
19 for -- for record clarity. And there's no
20 difference that you're aware of in between this
21 and the previously submitted exhibit?

22 MR. CHALLY: That was an ORS exhibit.
23 This is mine.

24 MR. SOLOMONS: Okay.

25 MR. CHALLY: And in any case, I'm not the

1 witness, so I don't -- I don't know. But I -- I
2 believe this is the October 22 presentation.

3 And Mr. Troutman can help us confirm.

4 THE WITNESS: The only comment I would
5 make, a similar comment that I made earlier:
6 This shows as draft. I'll take a look at it
7 here and . . .

8 BY MR. CHALLY:

9 Q. So this looks to be the October 22
10 presentation; is that right?

11 A. Does look to have everything that the
12 final had in it.

13 Q. Okay. And then in the presentation, in
14 the very first page of the introduction, Bechtel is
15 defining the scope of its assessment and -- and
16 acknowledging that it was engaged for purposes of --
17 well, in anticipation of litigation, right?

18 Is that right?

19 MR. RICHARDSON: I apologize. What page
20 are you on?

21 THE WITNESS: What page are you on?

22 BY MR. CHALLY:

23 Q. The introduction, page 4.

24 "The objective of the assessment was to
25 assist SCH and the owners." You see that?

1 A. "Giving legal advice." I see the words,
2 yes. That's consistent with the agreement.

3 Q. Right. And then the next page is the
4 assessment timeline, right?

5 A. Yes.

6 Q. And at -- first, under "Schedule," it
7 says, "Issue draft report seven weeks following site
8 mobilization for owners." Is that right?

9 A. Yes. That's what it says.

10 Q. What -- what is the draft report that this
11 is referring to?

12 A. That would have been an initial draft
13 for -- for review and approval internally.

14 Q. Internally to Bechtel?

15 A. Yeah.

16 Q. Okay. So this -- so when this says,
17 "Issue draft report seven weeks following site
18 mobilization for owners' review," that's -- that's
19 not exactly right?

20 A. It -- it didn't go to them until -- I
21 think it actually was a few more weeks than that.
22 I'd have to go back and look at the --

23 Q. Okay. So --

24 A. -- at the schedule.

25 Q. So then the report, the internal report

1 was prepared at Bechtel seven weeks after Bechtel
2 instituted its site mobilization?

3 A. Right.

4 Q. Right. And then you go to key dates. It
5 looks like on August 14, there were some initial
6 documents from the consortium; August 19 indicates
7 that portions of the integrated product schedule were
8 received. Right? So you were --

9 A. That's what it says, yes.

10 Q. You were describing it as an integrated
11 product schedule at the time, right?

12 A. (Nodding head up and down.)

13 Q. Okay. And you were -- Bechtel was
14 acknowledging that it only downloaded portions of the
15 integrated product schedule, right?

16 MR. GILMORE: Objection. Form,
17 foundation.

18 THE WITNESS: I mean, this bullet you're
19 pointing to says that portions were received on
20 the 19th. I would have to look at the weekly
21 reports to see what was actually provided.

22 BY MR. CHALLY:

23 Q. Did you see this report before it was
24 presented to the owners in October?

25 A. Yes.

1 Q. All right. And so you took efforts to
2 make sure that the information you were conveying
3 was, in Bechtel's view, accurate, right?

4 A. Yes.

5 Q. And -- and if you -- you were -- expected
6 those, you were relying -- that you were -- that were
7 also involved in the assessment to report accurately
8 on the timing of Bechtel's receipt on -- of
9 information, right?

10 A. Yeah, this is summary information, this
11 assessment timeline. But I would imagine, if we go
12 back and look, it would -- we would see detail of
13 what portion of the integrated schedule we received
14 on August 19th.

15 Q. Okay.

16 A. I don't know off the top of my head what
17 portion we received.

18 Q. Okay. Then on the next page, we're still
19 talking about assessment scope -- or Bechtel is still
20 talking about assessment scope. And then there is a
21 sub-bullet that says, "Some data and information was
22 provided electronically." You see that?

23 A. Yes.

24 Q. The last sentence reads: "This limited
25 our ability to fully assess the information, e.g.

1 engineering schedules, ROYG report," et cetera. You
2 see that?

3 A. Yes, I do.

4 Q. Okay. So some of these problems in
5 collecting information from the consortium did in
6 fact limit Bechtel's ability to fully assess the
7 information that it received, right?

8 A. In some cases it forced some extra work in
9 the area of engineering schedules, because they
10 didn't have everything in the integrated schedule,
11 and only provided us paper copies of engineering
12 fragnets, schedule fragnets. We had to rely on paper
13 copies to analyze where they were.

14 Q. And that --

15 A. The red, yellow, green report is a -- is
16 kind of a report that shows what things were going
17 well, what things weren't going well in a particular
18 area. And it being only hard copy information,
19 ultimately didn't -- didn't affect what we were able
20 to assess at the end of the day.

21 Q. So your assessment of the schedule was
22 based not on a detailed scheduling software file. It
23 was instead based on these fragnets that you said you
24 received, right?

25 MR. RICHARDSON: Object to the form of

1 that question.

2 MR. GILMORE: Objection. Form,
3 foundation.

4 THE WITNESS: We built a level 2 schedule
5 in part on what the consortium had. But we
6 built it in order to be able to load it with the
7 resources that were to be installed from the
8 date that we did the assessment.

9 Once you have that data in a level 2
10 schedule, you only have to review it at a macro
11 level to see that the -- that the schedule that
12 the -- that the consortium had provided and SNC
13 provided, you know, externally, was not possible
14 to make. You did not have to do a level 2
15 analysis to see that that schedule was not
16 possible.

17 BY MR. CHALLY:

18 Q. The next page identifies the Bechtel
19 assessment team?

20 A. That's correct.

21 Q. You identified that Mr. Moore was a
22 scheduler. Who else on this slide is a scheduler?

23 A. Jonathon Burstein was the other person on
24 this.

25 Q. What's Jason --

1 A. Glad the pictures are there. I -- I
2 didn't -- couldn't remember off the top of my head
3 who it was.

4 Q. Fair enough. What's Jason Moore's title
5 at Bechtel.

6 A. So he's a -- he is a chief project
7 controls analyst, but today he does 5D integrated
8 modeling, which is taking the engineering model,
9 overlaying schedule and cost to it, and creating
10 basically 5D scheduling. So that's -- he's expert in
11 the industry when it comes to schedule analysis.

12 Q. Fair enough. You said his title was
13 chief -- what was it?

14 A. I think he's chief project controls, or
15 chief scheduling engineer, something like that.

16 Q. How many people does Bechtel employ with
17 that title?

18 A. Not many that do what Jason does.

19 Q. Okay. How many people does Bechtel employ
20 with that title?

21 A. Maybe a dozen, over the thousands of
22 people in Bechtel. He -- he works at the corporate
23 level, actually, in our Innovation Center, where we
24 basically create our leading edge project controls
25 tools that integrate across the model on the --

1 Q. Okay. And you said Mr. Burstein --

2 A. -- tools.

3 Q. -- was also a scheduler?

4 A. Yes.

5 Q. Okay. What's Mr. Burstein's title?

6 Excuse me.

7 A. He is a project controls manager on --

8 Q. Okay.

9 A. -- one of our projects.

10 Q. How many project controls managers does
11 Bechtel employ?

12 A. Oh, one on every project, so -- hundreds.
13 Couple hundred, in the thousands of project controls
14 people that we have.

15 Q. Okay. Very last -- no, I'm sorry.
16 Page 25 of the assessment.

17 A. 25. This is not the assessment. This is
18 the presentation. But yeah, I'm on page 25.

19 Q. Okay. So page 25, in the last bullet, in
20 describing Bechtel's schedule assessment, indicates
21 that "A more robust approach is needed prior to
22 finalization of any changes to the baseline target
23 schedule." Right?

24 A. That's correct.

25 Q. Okay. And so this is the information that

1 was conveyed to the owners related to Bechtel's
2 schedule assessment?

3 A. Yes, we -- we -- and we dwelled on this,
4 too. We would not change the -- change the baseline
5 with -- using a schedule assessment. You're going to
6 have to take this data and actually go into the
7 detailed level 3 baseline schedule and do the work
8 there before you change your baseline.

9 You do this analysis to get a range of
10 outcomes, of possible outcomes on the project.
11 Before you -- you don't do it to change your
12 baseline. You wouldn't do that using level 2
13 schedule analysis. You would do level 3 schedule
14 analysis, which is much more involved and gives you
15 more -- because you don't have a baseline that has a
16 range of outcomes. You have a baseline. Baseline
17 has a schedule date in it. So in order to do that
18 analysis, you have to load that same information and
19 do that same analysis with the level 3 detailed
20 schedule.

21 Q. And so the baseline is the -- is the
22 actual estimate to be relied on by the owners in
23 connection with the project; is that right?

24 A. In -- in this case, this is talking about
25 the baseline schedule, so it is actually the -- in

1 this case we're talking about the live baseline
2 schedule, level 3 schedule.

3 Q. Okay. So Bechtel was telling the owners
4 of the project that the baseline schedule shouldn't
5 be moved until there was a further analysis
6 completed; is that right?

7 A. Correct. Absolutely.

8 Q. And Bechtel certainly never did that
9 additional level 3 analysis for the Summer project,
10 right?

11 A. No, V.C. Summer did not have us do that.
12 The results also told them that their schedule is
13 18 to 26 months off on Unit 2, and 24 to 36 months
14 off on Unit 3.

15 Q. Now, one document that you had looked at
16 before -- we're going to struggle with that. But it
17 is the memo to the Santee Cooper board that was in
18 this composite exhibit.

19 I'm happy to help you try to find it.

20 MR. RICHARDSON: What's the number?

21 MR. CHALLY: GCJ 2.36.A.

22 MR. RICHARDSON: You want 36, you say?

23 MR. CHALLY: Yeah. So, memo to the Santee
24 board from Lonnie Carter.

25 MR. RICHARDSON: The date?

1 MR. CHALLY: October 21.

2 There you go.

3 THE WITNESS: Got it.

4 BY MR. CHALLY:

5 Q. So this memo -- which I know you hadn't
6 seen until we talked about it earlier today -- is a
7 day before your assessment presentation; isn't that
8 right?

9 A. Yes, it looks like it's certainly within
10 days, yeah.

11 Q. Now, the -- the memo reports to the board
12 of directors on -- and -- the EPC amendment; would
13 you agree with that?

14 A. Yes, I do.

15 Q. Okay. And you were not aware of the EPC
16 amendment at the time you were doing this assessment?

17 A. We actually did know that there was some
18 moving going on. I don't remember who in SCANA told
19 us, or maybe it might have been somebody in
20 Westinghouse. But -- but we did know that there was
21 some -- some actions being taken to restructure the
22 contract and the consortium.

23 Q. But you didn't know precisely what those
24 actions were?

25 A. No, we didn't have precise details, no.

1 Q. So -- and I believe you testified that you
2 never saw the EPC amendment during the time of the
3 assessment?

4 A. Yeah, I don't think we ever were given
5 that. There would be no reason for them to give it
6 to us.

7 Q. Yeah. So that -- the assessment and any
8 alterations to the project flowing -- excuse me.
9 Strike that.

10 The amendment and any alterations to the
11 project flowing from the amendment weren't part of
12 Bechtel's assessment; is that right?

13 A. Right. In general, we weren't doing a
14 commercial assessment. We were assessing where the
15 job may end up from a -- how many man-hours the
16 consortium is going to spend getting there and how
17 long it's going to take them to get there.

18 So it's not a commercial assessment at
19 all. It's just a, here's what it's going to take to
20 do the work.

21 Q. Well, you addressed various commercial
22 issues in even the October 22 presentation, right?

23 A. We did offer a couple comments, but at --
24 at its very heart, the assessment, the schedule
25 analysis and the man-hour analysis, was looking at

1 what it was going to take to finish the job. It
2 wasn't making any assumptions on what that might cost
3 SCANA and Santee Cooper or not, you know, for
4 instance, an amendment like this.

5 Q. But part of the assessment was to evaluate
6 the working relationship between Westinghouse and
7 CB&I, right?

8 A. Yeah, we did. We looked at that from a --
9 not from a commercial standpoint, though. We weren't
10 looking at that, you know, giving advice on claims
11 or -- or anything like that.

12 Q. Well, the EPC amendment certainly alters
13 not only commercial issues or claims, as you're
14 narrowly characterizing them, but also the working
15 relationship between Westinghouse and CB&I, does it
16 not?

17 A. Oh, it --

18 MR. GILMORE: Objections. Form,
19 foundation. Mischaracterizes the prior
20 testimony.

21 THE WITNESS: It would.

22 BY MR. CHALLY:

23 Q. Okay. All right. Changing the contractor
24 on a project like this is very significant, isn't it?

25 A. It is. It doesn't change the fact that no

1 one has ever built that much in a plant in the time
2 period that they were projecting they would do. So
3 it really doesn't change our outcome in the schedule
4 analysis.

5 Q. Okay.

6 A. And certainly Fluor, who has never built a
7 nuclear power plant, and staffed the job mostly with
8 people from oil and gas projects, we -- this wouldn't
9 change -- knowing this and our assessment being done
10 three months later, only thing it would have done was
11 given us three more months of bad performance to see
12 in the rearview mirror as we're evaluating the
13 schedule and the performance --

14 Q. It's your testimony today that the
15 contractor doesn't matter for the assessment that you
16 were paid a million dollars to do?

17 MR. GILMORE: Objection. Mischaracterizes
18 the prior testimony. Lack of form -- form.
19 Lack of foundation.

20 THE WITNESS: What I'm telling you is that
21 the -- what Westinghouse was delivering to SCANA
22 and Santee Cooper was this picture. And the
23 picture that this -- this is Exhibit GCJ 2.24.
24 This shows the performance that's been going to
25 date and shows what it would take for

1 Westinghouse to deliver to SCANA the project
2 that they've been telling SCANA that they're
3 going to do. And no one has ever performed at
4 that, and in our experience, having built more
5 nuclear power plants than any of the folks on
6 this team, has never been done.

7 BY MR. CHALLY:

8 Q. Okay.

9 A. So using our experience is what drove the
10 assessment that we gave SCANA to try and give them an
11 idea where the outcome may be on this project.

12 Q. I understand, Mr. Troutman. But you --
13 are you telling us today that the identity of the
14 contractor is immaterial to the assessment that
15 Bechtel provided?

16 MR. GILMORE: Objection. Form,
17 foundation.

18 THE WITNESS: The schedule assessment,
19 yes. Because on the to-go work, rather than
20 taking the performance that had been done to
21 date on the projects, which would have given a
22 26-year build time on the to-go work, we used
23 our mean experience.

24 So the answer to your question related to
25 the schedule assessment is it would not have

1 changed it. It's analysis of the work to go,
2 applying our experience from a unit rate and a
3 sustained installation rate. I've said that
4 several times. I --

5 BY MR. CHALLY:

6 Q. I understand. Your -- your --

7 A. But the answer to your question, from a
8 schedule analysis standpoint, is yes, the answer
9 would be the same. It would just be three months
10 newer.

11 Q. So your unit rate analysis -- well, I'll
12 strike that. We'll move on to a different topic.

13 It's also true, is it not, that the EPC
14 amendment created the possibility of a fixed price
15 option?

16 A. Absolutely it did.

17 Q. And -- and isn't it true that a fixed
18 price option shifts all financial risk for cost
19 overruns and schedule delays to the contractor for
20 the project?

21 A. That was included in the fixed price
22 option, yes.

23 Q. And so is it your testimony that shifting
24 the financial risk for cost overruns and schedule
25 delays to the contractor would have zero impact on

1 the schedule assessment that Bechtel completed?

2 A. Yes.

3 Q. Okay.

4 A. Yes. I'm sorry. Caught in my throat
5 here.

6 Yes. It would not make a difference.
7 Because what we did was showed what could be done.

8 Q. Based on Bechtel's --

9 A. Based on --

10 Q. -- unit rate analysis?

11 A. -- our experience, that's right.

12 Q. Okay.

13 A. Not based on whether or not the -- the
14 entity that was performing it was eating the cost or
15 passing them through to the customer. We were not
16 analyzing that. We were analyzing what could be
17 done.

18 Q. Before the V.C. Summer assessment, had
19 Bechtel been involved in any regard with a nuclear
20 construction project under 10 CFR Part 52?

21 A. No, we have not.

22 Q. Okay. I won't pull this out, but we did
23 look earlier today at a November 9, 2015, draft
24 report.

25 A. Yes, I remember looking at it.

1 Q. My question for you is pretty simple:
2 Are -- are you aware of anyone at Bechtel that
3 transmitted that report to an SCE&G employee?

4 A. A November 9 report. I seem to remember
5 that there was a note between Craig Albert and
6 Michael Crosby on one of the drafts. I don't
7 remember it was that one. I apologize.

8 Q. So neither --

9 A. I think there may be an e-mail to that --
10 to that respect in -- in that stack.

11 Q. But you -- you do know that Michael Crosby
12 is not an SCE&G employee, right?

13 A. I understand.

14 Q. Okay. So you -- there is the possibility
15 that Bechtel transmitted the November 9, 2015, draft
16 report to Mr. Crosby; but do you have any memory,
17 sitting here today, of anyone at Bechtel sending to
18 SCE&G the November 9, 2015, draft report?

19 A. I -- I have no recollection that that was
20 done, no.

21 Q. Same --

22 A. Sorry about that. I -- I mis -- I
23 misheard the question. I apologize.

24 Q. Fair enough. Same question as to the
25 November 12 draft report: Are you aware of anyone at

3	A.	No.
---	----	-----

9 A. No, I'm not aware of that.

Government	Percentage
Current government	85%
Previous government	15%

[illegible]

[illegible]

[REDACTED]

[illegible]

Horizontal bar chart showing the percentage of respondents for various categories. The categories are listed on the left, and the percentages are shown as horizontal bars on the right. The categories are: 1. (100%), 2. (100%), 3. (100%), 4. (100%), 5. (100%), 6. (100%), 7. (100%), 8. (100%), 9. (100%), 10. (100%), 11. (100%), 12. (100%), 13. (100%), 14. (100%), 15. (100%), 16. (100%), 17. (100%), 18. (100%), 19. (100%), 20. (100%), 21. (100%), 22. (100%), 23. (100%), 24. (100%), 25. (100%), 26. (100%), 27. (100%), 28. (100%), 29. (100%), 30. (100%), 31. (100%), 32. (100%), 33. (100%), 34. (100%), 35. (100%), 36. (100%), 37. (100%), 38. (100%), 39. (100%), 40. (100%), 41. (100%), 42. (100%), 43. (100%), 44. (100%), 45. (100%), 46. (100%), 47. (100%), 48. (100%), 49. (100%), 50. (100%), 51. (100%), 52. (100%), 53. (100%), 54. (100%), 55. (100%), 56. (100%), 57. (100%), 58. (100%), 59. (100%), 60. (100%), 61. (100%), 62. (100%), 63. (100%), 64. (100%), 65. (100%), 66. (100%), 67. (100%), 68. (100%), 69. (100%), 70. (100%), 71. (100%), 72. (100%), 73. (100%), 74. (100%), 75. (100%), 76. (100%), 77. (100%), 78. (100%), 79. (100%), 80. (100%), 81. (100%), 82. (100%), 83. (100%), 84. (100%), 85. (100%), 86. (100%), 87. (100%), 88. (100%), 89. (100%), 90. (100%), 91. (100%), 92. (100%), 93. (100%), 94. (100%), 95. (100%), 96. (100%), 97. (100%), 98. (100%), 99. (100%), 100. (100%).

Ty Troutman

1

[REDACTED]

21 Q. Mr. Troutman, are you aware of anyone at
22 Bechtel, an employee of Bechtel, talking to anyone
23 affiliated with the Office of Regulatory Staff about
24 the litigation that brings us here today?

25 A. Not that I'm aware of.

1 Q. Have you -- are you aware of any employee
2 at Bechtel talking to anyone that you understood to
3 be representing the Office of Regulatory Staff about
4 the matters that bring us here today?

5 A. Not that I know of.

6 Q. Okay. Have you ever, prior to today, had
7 a discussion with Matthew Richardson?

8 A. Matthew Richardson.

9 Q. This gentleman right over here.

10 A. Yeah, I mean -- yeah. Not prior to today.
11 I don't think we've met prior to today.

12 Q. Fair enough. Have --

13 A. I -- I was excluding present company. I'm
14 sorry.

15 Q. That's okay. Have you ever talked to
16 plaintiffs' counsel in this case?

17 A. I don't believe so.

18 Q. Okay. Is it -- have you ever discussed,
19 other than when he was asking questions earlier
20 today, matters related to the Summer project with
21 Gibson Solomons?

22 A. No.

23 Q. Okay. Have you ever discussed matters
24 related to the Summer project with Terry Richardson?

25 A. Terry Richardson? Who's he?

1 Q. He's a -- he's a lawyer representing the
2 plaintiffs in the ratepayer cases. He also happens
3 to be Matthew's father.

4 A. I don't know -- I don't think I've ever
5 met him.

6 MR. GILMORE: You'd remember him if you
7 had.

8 MR. CHALLY: Okay. Yeah, you guys got any
9 questions? Go right ahead.

10 MR. RICHARDSON: I don't have any
11 questions.

12 MR. CHALLY: Okay. Mr. Alphin?

13 MR. ALPHIN: No.

14 MR. CHALLY: All right. I think we're
15 done.

16 MR. GILMORE: I have no questions.

17 Anyone have any questions? No? Going
18 once, twice . . .

19 VIDEOGRAPHER: This marks the end of the
20 deposition. We are going off the record
21 at 7:06.

22 (Witness excused.)

23 (Deposition was concluded at 7:06 p.m.)

24 (Signature reserved.)

25 - - -

SIGNATURE OF DEPONENT

I, the undersigned, TY TROUTMAN, do hereby
certify that I have read the foregoing deposition
transcript and find it to be a true and accurate
transcription of my testimony, with the following
corrections, if any:

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DATE

TY TROUTMAN

1 CERTIFICATE OF REPORTER

2 I, Karen Kidwell, Registered Merit
3 Reporter, do hereby certify:

4 That the foregoing deposition was taken
5 before me on the date and at the time and location
6 stated on page 1 of this transcript; that the
7 deponent was duly sworn to testify to the truth, the
8 whole truth and nothing but the truth; that the
9 testimony of the deponent and all objections made at
10 the time of the examination were recorded
11 stenographically by me and were thereafter
12 transcribed; that the foregoing deposition as typed
13 is a true, accurate and complete record of the
14 testimony of the deponent and of all objections made
15 at the time of the examination to the best of my
16 ability.

17 I further certify that I am neither related
18 to nor counsel for any party to the cause pending or
19 interested in the events thereof.

20
21
22
23
24
25


KAREN KIDWELL
Registered Merit Reporter
Certified Realtime Reporter

Certificate of Notary Public

I, Christie Jeon, Notary Public for the state of
District of Columbia, do hereby certify that the deponent,
Ty Treutman, was duly sworn to testify to
the truth, the whole truth, and nothing but the truth.

Witness my hand this 19 (day) day of October (month),
2018 (year) at 901 15th St NW, DC, 20005 (location).

Signature:

Print Name:

State:

County of:

My Commission expires:

Christie Jeon

Christie Jeon

VA

USA

Aug 14 ~~2020~~

2022